

Exhibit 4

Page 1

1

2 UNITED STATES BANKRUPTCY COURT
3 SOUTHERN DISTRICT OF NEW YORK

4

5 -----X

6 In Re:) Case No.
7) 12-12020 (MG)
8 RESIDENTIAL CAPITAL, LLC,)
9 et al.,) Jointly Administered
10) Bankr. S.D.N.Y.
11 Debtors.)
12 -----X

9

10

11

12 CONFIDENTIAL

13

14

15 DEPOSITION OF MAMTA SCOTT
16 Chicago, Illinois
17 Thursday, July 18, 2013

18

19

20

21

22

23 Reported by:

24 PAULA CAMPBELL, CSR, RDR, CRR, CCP

25 JOB NO. 63796

Page 2

Page 3

1
2
3
4
5
6
7
8 July 18, 2013
9 11:05 A.M.
10
11
12 Discovery deposition of MAMTA SCOTT,
13 held at the offices of MAYER BROWN, 71 South
14 Wacker Drive, Chicago, Illinois, pursuant to
15 notice before Paula Campbell, CSR, RDR, CRR,
16 CCP.
17
18
19
20
21
22
23
24
25

1 APPEARANCES:
2
3 WILLKIE FARR & GALLAGHER
4 Attorneys for Monarch, Stonehill, Bayview and CQS
5 787 Seventh Avenue
6 New York, New York 10019
7 BY: EMMA JAMES, ESQ.
8 Seward & Kissel
9 Attorneys for U.S. Bank and the witness
10 One Battery Park Plaza
11 New York, New York 10004
12 BY: MARK KOTWICK, ESQ.
13 U.S. BANK
14 214 N. Tyron Street
15 Charlotte, North Carolina 28202
16 BY: SUZANNE CRESS WILLIAMS, ESQ.
17
18 JONES DAY
19 Attorneys for FGIC
20 222 East 41st Street
21 New York, New York 10017
22 BY: BART GREEN, ESQ.
23
24 MOSS & KALISH
25 Attorneys for Freddie Mac
122 East 42nd Street
New York, New York 10168
BY: DAVID GELFARB, ESQ.
DECHERT
Attorneys for Bank of New York Mellon
1095 Avenue of the Americas
New York, New York 10036
BY: REBECCA KAHAN, ESQ. (telephonically)
MORRISON & FOERSTER
Attorneys for the Debtor
1290 Avenue of the Americas
New York, New York 10104
BY: DAVID ZIEGLER, ESQ. (telephonically)

Page 4

Page 5

1
2
3 KRAMER LEVIN NAFTALIS & FRANKEL
4 Attorneys for the Official Committee of Unsecured
5 Creditors
6 1177 Avenue of the Americas
7 New York, New York 10036
8 BY: PHILIP KAUFMAN, ESQ. (telephonically)
9 ALSTON & BIRD
10 Attorneys for Wells Fargo
11 90 Park Avenue
12 New York, New York 10016
13 BY: WILLIAM HAO, ESQ. (telephonically)
14 ROPES & GRAY
15 Attorneys for the Steering Committee of RMBS
16 Holders
17 800 Boylston Street
18 Boston, Massachusetts 02199
19 BY: ANDREW DEVORE, ESQ. (telephonically)
20
21 SEWARD & KISSEL
22 Attorneys for Law Debenture Trust Company of New
23 York
24 One Battery Park Plaza
25 New York, New York 10004
BY: MICHAEL WEITMAN, ESQ. (telephonically)

1 CONFIDENTIAL - M. SCOTT
2 MR. KOTWICK: This is Mark Kotwick. This
3 is the Mamta Scott deposition. If this is not
4 what you thought it was, feel free to log off.
5 Otherwise, I think what we are going to do is
6 just go around the room and introduce the
7 counsel who are here and then maybe take a roll
8 call on the phone so the court reporter knows
9 who is present and attending either
10 telephonically or otherwise.
11 Why don't we start at the one end of the
12 table.
13 MR. GELFARB: Good morning. David Gelfarb,
14 G-e-l-f-a-r-b, representing Freddie Mac.
15 MS. JAMES: I'm Emma James, Willkie Farr &
16 Gallagher, and I'm here representing Monarch,
17 Stonehill, CQS and Bayview.
18 MR. KOTWICK: My name is Mark Kotwick. I'm
19 with Seward & Kissel. I represent U.S. Bank as
20 indenture trustee as well as the witness, Mamta
21 Scott, who is seated to my right.
22 MS. WILLIAMS: Suzanne Williams, in-house
23 counsel at U.S. Bank here representing U.S.
24 Bank and the witness.
25 MR. GREEN: Bart Green of Jones Day on

2 (Pages 2 to 5)

Page 6

Page 7

1 CONFIDENTIAL - M. SCOTT
 2 behalf of Financial Guaranty Insurance Company.
 3 MR. KOTWICK: That's it for the people in
 4 the room. If the people on the phone could
 5 introduce themselves, please.
 6 MR. KAUFMAN: Philip Kaufman, Kramer Levin,
 7 on behalf of the Official Committee of
 8 Unsecured Creditors.
 9 MR. GELFARB: Can you spell your name?
 10 MR. KAUFMAN: K-a-u-f-m-a-n.
 11 MR. KOTWICK: Kaufman, K-a-u-f-m-a-n,
 12 Philip.
 13 MS. KAHAN: Rebecca Kahan, K-a-h-a-n, from
 14 Dechert, on behalf of the Bank of New York
 15 Mellon Trust Company, N.A., as trustee or
 16 indenture trustee.
 17 MR. ZIEGLER: David Ziegler from Morrison &
 18 Foerster on behalf of the debtor. That's
 19 Z-i-e-g-l-e-r.
 20 MR. KOTWICK: It's Ziegler, Z-i-e-g-l-e-r.
 21 MR. ZIEGLER: Morrison & Foerster.
 22 MR. HAO: William Hao, H-a-o, of Alston &
 23 Bird on behalf of Wells Fargo Bank.
 24 MR. WEITMAN: Mike Weitman, W-e-i-t-m-a-n,
 25 from Seward & Kissel and on behalf of Law

1 CONFIDENTIAL - M. SCOTT
 2 Debenture Trust Company of New York.
 3 MR. DEVORE: Andrew Devore, D, as in dog,
 4 e-v, as in Victor, o-r-e, of Ropes & Gray on
 5 behalf of the Steering Committee of RMBS
 6 Investors.
 7 MS. JAMES: Anyone else on the phone?
 8 Okay. Good morning, Ms. Scott.
 9 REPORTER: Would you please raise your
 10 right hand.
 11 M A M T A S C O T T,
 12 called as a witness, having been duly sworn,
 13 was examined and testified as follows:
 14 EXAMINATION
 15 BY MS. JAMES:
 16 Q. All right. Ms. Scott, can you tell me what
 17 your role at U.S. Bank is?
 18 A. I am a vice president and a default
 19 account -- Default Group account manager.
 20 Q. Okay. And how long have you had that
 21 position?
 22 A. I've been with U.S. Bank for two and a half
 23 years.
 24 Q. Two and a half years. And when did you
 25 first become involved with matters relating to the

Page 8

Page 9

1 CONFIDENTIAL - M. SCOTT
 2 ResCap bankruptcy?
 3 A. Approximately two weeks before they filed
 4 for bankruptcy.
 5 Q. Okay. And have you had any responsibility
 6 or involvement with the FGIC rehabilitation
 7 proceedings in New York state court?
 8 A. No.
 9 Q. Okay. Does someone in your department have
 10 involvement with the FGIC rehabilitation
 11 proceedings?
 12 A. Yes.
 13 Q. Yes. Who is that?
 14 A. Laura Moran.
 15 Q. And what's Laura Moran's title?
 16 A. She is also a Default Group account
 17 manager. I also believe she is a vice president of
 18 the bank.
 19 Q. Okay.
 20 MR. KOTWICK: Hey, could I ask the people
 21 who are on the phone to please put it on mute,
 22 please, unless you are going to be speaking.
 23 Thank you.
 24 Q. Ms. Scott, how many people are in your
 25 Default Group?

1 CONFIDENTIAL - M. SCOTT
 2 A. I would say approximately 28 account
 3 managers.
 4 Q. Okay. And Ms. Moran is in the same Default
 5 Group as you are?
 6 A. Yes.
 7 Q. Okay. Who do you report to?
 8 A. Tim Pillar, P-i-l-l-a-r.
 9 Q. And what's Mr. Pillar's title?
 10 A. The same, Default Group account manager.
 11 He is also a vice president.
 12 Q. What have your responsibilities been in
 13 connection with the ResCap bankruptcy?
 14 A. To pull together all of the affected
 15 transactions, pull together all of the documents
 16 related to those transactions, review any motions,
 17 anything that we would file on behalf of the bank,
 18 understand the claims involved. Several
 19 responsibilities. The list goes on and on.
 20 Q. Is it fair to say that the -- that matters
 21 relating to the ResCap bankruptcy have taken up a
 22 significant amount of your time since two and a half
 23 weeks before they filed for bankruptcy?
 24 MR. KOTWICK: Objection to the form.
 25 A. That's correct.

3 (Pages 6 to 9)

Page 10

Page 11

1 CONFIDENTIAL - M. SCOTT

2 Q. The court reporter has marked as Scott
3 Exhibit 1 the Notice of Deposition to U.S. Bank, and
4 that's in front of you now. Feel free to take a
5 look at it.

6 (Scott Exhibit 1 marked for
7 identification.)

8 Q. Have you seen that before?

9 A. Yes.

10 Q. Okay. And when did you first see this?

11 A. I can't recall the exact date, but a few
12 weeks back. Yeah, I can't remember the exact date.

13 Q. Okay. And have -- did you meet with
14 counsel in preparation for this deposition today?

15 A. I did.

16 Q. When did you first meet with counsel?

17 A. July 3rd.

18 Q. July 3rd, okay. Did you meet with counsel
19 in connection with this deposition at any other
20 time?

21 A. Yes.

22 Q. When was that?

23 A. Yesterday.

24 Q. And approximately how long did you meet on
25 July 3rd?

1 CONFIDENTIAL - M. SCOTT

2 A. I would say approximately five hours.

3 Q. Okay. And how long did you meet yesterday?

4 A. Approximately seven hours.

5 Q. Okay. Did you do anything else in
6 preparation for this deposition today, other than
7 meeting with counsel?

8 A. No.

9 Q. Did you review any documents in preparation
10 for this deposition today?

11 A. I did.

12 Q. Okay. And that was with counsel?

13 A. That's correct.

14 Q. Did you take the time to look over your own
15 files in connection with the ResCap bankruptcy and,
16 more specifically, the FGIC settlement agreement?

17 MR. KOTWICK: Objection to the form.

18 A. I did review certain documents, you know,
19 after meeting with counsel, yeah.

20 Q. Okay. And what documents were they?

21 A. I went over my declaration. I can't
22 remember, you know, exactly all of the other
23 documents involved.

24 Q. Okay. And when you say your declaration,
25 are you referring to the declaration that was filed

Page 12

Page 13

1 CONFIDENTIAL - M. SCOTT

2 along with the trustees' joinder to the 9019 motion
3 to approve the FGIC settlement agreement?

4 A. That's right.

5 Q. And we will -- we will look at that
6 shortly. I'm going to ask the reporter to mark now
7 as Scott Exhibit 2 the debtors' motion pursuant to
8 federal rules of bankruptcy 9019 for approval of the
9 settlement agreement among the debtors, FGIC, the
10 FGIC trustees, and certain institutional investors.

11 (Scott Exhibit 2 marked for
12 identification.)

13 Q. Have you seen this before, Ms. Scott?

14 A. Yes, I believe I've seen this.

15 Q. Okay. And when did you first see this
16 document?

17 A. I can't recall.

18 Q. Did you see it before it was filed with the
19 court?

20 A. No, I don't -- I don't believe so.

21 Q. Okay. And do you have an understanding as
22 to what is discussed in this document?

23 MR. KOTWICK: Answer yes or no, please.

24 A. Yes.

25 Q. Okay. Maybe we will go through it. If you

1 CONFIDENTIAL - M. SCOTT

2 look at paragraph 1 on the first page, it's after
3 the table of authorities, it states, "The debtors
4 seek approval of a settlement agreement involving 47
5 separate securitizations with securities insured by
6 FGIC, each a FGIC insured trust and collectively the
7 FGIC insured trusts."

8 Is U.S. Bank a trustee or an indentured
9 trustee in connection with some or all of these 47
10 trusts?

11 A. Yes.

12 Q. How many trusts is U.S. Bank the trustee or
13 indentured trustee for out of these 47?

14 A. Eight.

15 Q. Eight. The next sentence goes on to say,
16 "The settlement agreement provides for a broad
17 release of claims asserted by both FGIC and the FGIC
18 trustees in connection with the FGIC insured
19 trusts."

20 What's your understanding of the broad
21 release of claims that were asserted by FGIC and the
22 FGIC trustees?

23 MR. KOTWICK: I'm going to object and
24 caution the witness to exclude from her answer
any information she may have learned through a

Page 14

Page 15

1 CONFIDENTIAL - M. SCOTT
 2 conversation with counsel.
 3 You can answer the question otherwise.
 4 A. Can you repeat the question?
 5 Q. Sure.
 6 What's your understanding of the broad
 7 release of claims that were asserted -- let me
 8 rephrase it.
 9 What's your understanding of the claims
 10 that were asserted by FGIC and the FGIC trustees?
 11 Let's start with the claims asserted by FGIC.
 12 A. I don't believe I can answer the question.
 13 Q. Okay. Let's look at paragraph 2, which
 14 defines the FGIC claims, and it says that "The
 15 settlement agreement," and here we are referring to
 16 the FGIC settlement agreement, "resolves three
 17 proofs of claim filed by FGIC totaling 5.55 billion
 18 in the aggregate."
 19 Do you see that?
 20 A. I do.
 21 Q. All right. Does that help you understand
 22 what the FGIC claims are?
 23 A. It does not.
 24 Q. Okay. Let's go on to paragraph 3, which
 25 discusses the FGIC trustees' claims. You understand

1 CONFIDENTIAL - M. SCOTT
 2 that -- you just told me that U.S. Bank is trustee,
 3 or indentured trustee to eight of the 47 trusts
 4 involved here; correct?
 5 A. That's right.
 6 Q. Okay. So I assume that the FGIC trustee
 7 claims include claims made by U.S. Bank; is that
 8 correct?
 9 A. It might mean that.
 10 Q. Okay. Did U.S. Bank, as trustee or
 11 indentured trustee, assert any claims against the
 12 ResCap debtors in connection with the bankruptcy?
 13 MR. KOTWICK: Objection to the form.
 14 A. Can you repeat the question?
 15 Q. Sure.
 16 Did the FGIC trustees, including U.S. Bank,
 17 assert any claims against the debtors in connection
 18 with the ResCap bankruptcy?
 19 MR. KOTWICK: Ms. James, do you mean proofs
 20 of claim?
 21 MS. JAMES: I mean proofs of claim.
 22 MR. KOTWICK: Thank you.
 23 A. Yes.
 24 Q. Okay. And is it your understanding that
 25 those proofs of claim have an aggregate total of

Page 16

Page 17

1 CONFIDENTIAL - M. SCOTT
 2 5.41 billion?
 3 MR. KOTWICK: Objection to the form.
 4 A. It appears that that's what it says here in
 5 paragraph 3.
 6 Q. Okay. And do you understand that the FGIC
 7 settlement agreement releases those claims in
 8 varying amounts of up to 5 billion against each of
 9 the 51 debtors?
 10 MR. KOTWICK: Objection to the form, to the
 11 extent you've got an understanding outside of
 12 your discussions with counsel.
 13 A. I -- I mean, I would need to refer to the
 14 settlement agreement to confirm.
 15 Q. Okay. Is it your understanding that as
 16 part of this agreement the FGIC trustees released
 17 some claims of some amount against the debtors'
 18 estate?
 19 A. By debtor, are you referring to ResCap?
 20 Q. I'm referring to ResCap and the ResCap
 21 affiliated entities considered debtors in the ResCap
 22 bankruptcy.
 23 A. Okay. Can you repeat the question?
 24 Q. Sure.
 25 Is it your understanding that as part of

1 CONFIDENTIAL - M. SCOTT
 2 the FGIC settlement agreement, the FGIC trustees
 3 released some claims of some amount against the
 4 debtors' estate?
 5 A. I don't think I have an understanding of
 6 that.
 7 Q. Okay. Did U.S. Bank perform any analysis
 8 of the value of the claims it was asserting against
 9 the ResCap estate?
 10 MR. KOTWICK: Objection to form.
 11 A. For all of the trusts that were impacted
 12 for which we are trustee?
 13 Q. Uh-huh.
 14 A. Yes.
 15 Q. Okay. And what value did U.S. Bank place
 16 on the claims it was asserting in the ResCap
 17 bankruptcy?
 18 A. I don't recall.
 19 Q. You don't recall. Okay.
 20 All right. If you look at paragraph 5 of
 21 this 9019 motion, it's on page 3, it reads,
 22 "Following the court's appointment as mediator of
 23 United States Bankruptcy Judge James M. Peck and
 24 months of arm's-length negotiations, the debtors and
 25 most of the claimant constituencies reached a broad

Page 18

Page 19

1 CONFIDENTIAL - M. SCOTT
2 settlement consisting of a Plan Support Agreement
3 (the 'Plan Support Agreement') and Plan Term Sheet
4 (the 'Plan Term Sheet'), each dated May 13, 2013,
5 and the Supplemental Term Sheet dated May 23, 2013,
6 for which the debtors separately seek court
7 approval."

8 You understand there was a mediation in
9 this case?

10 A. Yes.

11 Q. Were you involved in the mediation?

12 A. Yes.

13 Q. Okay. What was your involvement in the
14 mediation?

15 A. I attended meetings. I was regularly
16 involved in conversations with counsel about what
17 was going on at the mediation.

18 Q. Okay. When was the first mediation meeting
19 you attended in person?

20 A. Are you referring to a mediation session?

21 Q. I'm referring to a mediation -- mediation
22 session, yes. Sorry.

23 MR. KOTWICK: Objection to the form.

24 MS. JAMES: Of the question that she
25 rephrased or my initial question?

1 CONFIDENTIAL - M. SCOTT
2 MR. KOTWICK: Of both questions. And my
3 objection is to what both of you mean by
4 "mediation session."

5 MS. JAMES: Sure.

6 Q. What do you understand a mediation to mean?

7 A. I believe there were two in-person lengthy
8 sessions in around April and the beginning of May.

9 Q. Okay. And you attended those mediation
10 sessions in person?

11 A. I did not.

12 Q. You did not, okay.

13 Did you attend any mediation sessions in
14 person?

15 A. Any mediation related meetings outside of
16 those two, I can't recall. I may have when it began
17 end of December/early January. I can't remember.

18 Q. Okay. And who was at mediation -- who was
19 at these mediation related meetings outside of the
20 two that you recall occurring in April and early
21 May?

22 MR. KOTWICK: Objection to the form.

23 A. I don't understand.

24 Q. You just stated that you attended mediation
25 related meetings.

Page 20

Page 21

1 CONFIDENTIAL - M. SCOTT
2 A. So the mediation was a lengthy process over
3 five months. There could have been an in-person
4 meeting early on that I may have attended.
5 Outside -- are you asking who would have attended if
6 I did not attend?

7 Q. Well, let's start -- let's start with the
8 meetings early on that you could have attended. Are
9 these -- were these meetings meetings in New York?

10 A. Yes.

11 Q. And did they take place at Kramer Levin?

12 A. Yes, they may have.

13 Q. Okay. They may have?

14 A. I don't want to speculate, so I mean, I
15 can -- I just -- I don't know. I don't remember.

16 Q. Have you attended meetings at Kramer Levin
17 in New York?

18 A. Yes.

19 Q. And those meetings were in connection, at
20 least, with the ResCap bankruptcy?

21 A. That's right.

22 Q. Okay. Have you also attended meetings at
23 Kramer Levin for other reasons?

24 A. For reasons other than the ResCap
25 bankruptcy? No.

1 CONFIDENTIAL - M. SCOTT
2 Q. Okay. But you have attended meetings at
3 Kramer Levin in connection with the ResCap
4 bankruptcy but not in connection with the mediation?

5 A. It may have been in connection with the
6 mediation.

7 Q. May have been in connection with the
8 mediation. Is U.S. Bank on the Official Committee
9 of Unsecured Creditors?

10 A. Yes.

11 Q. Okay. Are any other FGIC trustees on that
12 committee?

13 A. Yes.

14 Q. Who?

15 A. Bank of New York. I believe that's it.

16 Q. Okay. And how many meetings of the
17 unsecured creditors' committee have you attended in
18 person?

19 A. I couldn't say exactly.

20 Q. Are they once a month, twice a month?

21 A. I believe they are once a month currently.

22 Q. Okay. And how about the period -- for the
23 period January 2013 through May 2013?

24 A. It wouldn't have been more than a couple of
25 times.

Page 22

Page 23

1 CONFIDENTIAL - M. SCOTT

2 Q. Okay. And are those the meetings that you
3 are questioning whether they were mediation related
4 meetings or simply ResCap bankruptcy related
5 meetings?

6 A. That's right.

7 Q. Okay. And during these meetings, was the
8 progress or status of the mediation discussed?

9 MR. KAUFMAN: This is Philip Kaufman. I
10 object on the grounds that the committee
11 deliberations are privileged.

12 MR. GREEN: I'm also going to object to the
13 extent this is seeking discussions or
14 information about mediation and mediation
15 negotiations.

16 MR. KOTWICK: I'm going to allow the
17 witness to answer yes or no to the initial
18 question to see if she has any recollection.

19 A. And can you repeat the question?

20 Q. Sure.

21 During these meetings of the Official
22 Committee of the Unsecured Creditors was the
23 progress or status of the mediation discussed?

24 A. I don't recall.

25 Q. Okay. Other than your in-person attendance

1 CONFIDENTIAL - M. SCOTT

2 at meetings of the unsecured creditors committee,
3 did you attend any in-person meetings that solely
4 concerned the mediation?

5 MR. KOTWICK: You can answer yes or no.

6 A. No.

7 Q. No, okay.

8 Did anyone else from U.S. Bank attend
9 meetings solely regarding the mediation?

10 A. Yes.

11 Q. And who would that have been?

12 A. Laura Moran.

13 Q. Laura Moran, who you report to?

14 A. I don't report to her.

15 Q. I'm sorry. Laura Moran, who is -- who has
16 responsibility for the FGIC rehabilitation
17 proceedings at U.S. Bank?

18 A. That's right.

19 Q. Okay. Did you speak with Laura Moran about
20 her participation in the meetings concerning the
21 progress and status of the mediation?

22 A. I did.

23 Q. Okay. And what did Ms. Moran tell you
24 about that -- those meetings?

25 MR. KOTWICK: I object and direct the

Page 24

Page 25

1 CONFIDENTIAL - M. SCOTT

2 witness not to answer to the extent that it's
3 going to reveal issues and
4 discussions/negotiations that occurred within
5 the mediation that are covered by the mediation
6 order.

7 MR. GREEN: And I join in that objection.

8 A. I can't respond.

9 Q. Okay. You understand that as part of the
10 9019 motion that's in front of you describing the
11 FGIC settlement agreement that the trustees have
12 accepted on behalf of the trusts a lump sum payment
13 from FGIC; correct?

14 MR. KOTWICK: Objection to the form.

15 A. The trustees have entered into a settlement
16 agreement with FGIC.

17 Q. Okay. And do you have an understanding of
18 the provision in that settlement agreement for a
19 lump sum payment to be made to the trusts?

20 A. I do.

21 Q. Okay. What is that lump sum payment
22 being -- in connection to?

23 A. I'm not sure I follow, what is it in
24 connection to?

25 Q. Why is FGIC paying -- making a lump sum

1 CONFIDENTIAL - M. SCOTT

2 payment to the trusts?

3 MR. GREEN: Objection to the form.

4 A. The 253 million will be a payment that is
5 paid out to all 47 trusts in connection, I believe,
6 with claims asserted by those trusts.

7 Q. And is that \$253 million, does that
8 \$253 million secure the commutation of the FGIC
9 policies wrapping those trusts?

10 MR. KOTWICK: Objection to the form.

11 A. Can you repeat the question?

12 Q. Does that \$253 million secure the
13 commutation of the FGIC policies wrapping the 47
14 trusts we discussed previously?

15 MR. KOTWICK: Same objection.

16 A. What do you mean by "secure the
17 commutation"?

18 Q. In exchange for the \$253.3 million, have
19 the trustees agreed to the commutation of the FGIC
20 policies wrapping the trusts --

21 MR. KOTWICK: Objection to the form.

22 Q. -- in question?

23 A. I mean that is a piece of the settlement.

24 Q. Okay. So the \$253 million secures the
25 commutation of the FGIC wrappers on those trusts?

Page 26

Page 27

1 CONFIDENTIAL - M. SCOTT
2

3 MR. KOTWICK: Objection to the form. Asked
and answered.

4 A. That -- yeah, that's a piece of the
5 settlement agreement.

6 Q. Okay. All right. When was the first time
7 that you learned of the possibility of these
8 commutations?

9 MR. KOTWICK: Objection to the form.

10 A. The bank was approached --

11 MR. KOTWICK: Can you just -- just answer
12 the question. The question was when -- when
13 was the first time you learned of the
14 possibility of these commutations.

15 A. End of March or early April.

16 Q. Okay. And how did you learn of the
17 possibility of these commutations?

18 MR. GREEN: I'm going to object to the
19 extent it's seeking information that is covered
20 by the mediation privilege.

21 MR. KOTWICK: I'm going to allow the
22 witness to answer that question in large part
23 because it, I believe, is part of the
24 declaration that was filed in connection with
25 the 9019.

Page 28

Page 29

1 CONFIDENTIAL - M. SCOTT
2

3 MR. KOTWICK: You can answer the question
yes or no.

4 A. Yes.

5 Q. Are the institutional investors on the
6 steering group also holders of non-wrapped notes or
7 certificates issued by the debtor?

8 MR. DEVORE: Objection to form.

9 A. Yes.

10 Q. Do you have an understanding of the
11 percentage ownership of the total universe of FGIC
12 wrapped notes or certificates held by those on the
13 institutional investors' steering group committee?

14 MR. KOTWICK: I'm going to object and
15 direct the witness not to answer that question
16 to the extent that she might have learned that
17 information in the context of the mediation,
18 which is subject to mediation order.

19 A. No.

20 Q. Did you do anything to find out the
21 personal ownership held by the steering group of
22 FGIC wrapped notes?

23 MR. KOTWICK: I'm going to object and
24 direct the witness not to answer to the extent
25 that any such efforts were made in the context

1 CONFIDENTIAL - M. SCOTT
2

3 A. And can you repeat the question?

4 Q. Sure thing.

5 How did you learn of the possibility of
these commutations?

6 A. We were approached by the steering
7 committee.

8 Q. And who -- who is on the steering
9 committee?

10 A. It's a group of institutional investors
11 that are represented by Kathy Patrick.

12 Q. And do you have an understanding as to
13 which institutional investors are part of the
14 steering group?

15 A. I do not.

16 Q. Okay. Are the institutional investors that
17 are part of this steering group holders of FGIC
18 wrapped notes or certificates?

19 MR. DEVORE: Objection to form.

20 This is Andrew Devore.

21 MR. KOTWICK: Allow the witness to answer
22 yes or no.

23 I'm sorry. Can you reread the question?

24 MS. JAMES: Would you reread the question?
(Record was read as requested.)

Page 28

Page 29

1 CONFIDENTIAL - M. SCOTT
2

3 of the mediation.

4 A. I can't answer that.

5 Q. Is it important for you to know the
percentage ownership held by the steering group of
FGIC wrapped notes or certificates?

6 MR. KOTWICK: I'm going to object to the
7 extent that the witness' knowledge in that
9 respect or understanding is the result of any
10 discussions with counsel.

11 To the extent that you have information
12 outside of your conversations with counsel,
13 you're free to answer that.

14 A. I can't answer the question.

15 Q. Okay. Do you have an understanding as to
16 why the steering group approached U.S. Bank with a
17 offer of commutation?

18 MR. DEVORE: Objection to form. Assumes
19 facts not in evidence.

20 A. No.

21 Q. Who on the steering group approached U.S.
22 Bank regarding the possible commutations?

23 A. I can't recall who it was exactly.

24 Q. And at this point did the steering group
25 attach a dollar figure to the commutation offer?

<p style="text-align: right;">Page 30</p> <p>1 CONFIDENTIAL - M. SCOTT 2 MR. KOTWICK: Objection. 3 MR. DEVORE: Objection to form. 4 MR. KOTWICK: Objection to form. To the 5 extent that information was part of the 6 mediation discussion, I'm going to direct the 7 witness not to answer the question on the basis 8 of the mediation order. 9 A. I can't answer the question. 10 Q. Can you turn -- going back to Scott 11 Exhibit 2, which is the 9019 motion, and look to 12 paragraph 5 of that exhibit. It states, "The 13 settlement agreement, while a standalone agreement, 14 represents a critical component of the global plan 15 agreement." 16 What's your understanding of what is meant 17 by "standalone agreement"? 18 MR. KOTWICK: Objection to the extent that 19 the witness, I think, has testified that she 20 had not seen this document before today. 21 MS. JAMES: I don't think that was her 22 testimony, Mark. 23 Q. You saw this document before today? 24 A. I believe I did. I'm not 100 percent sure. 25 MR. KOTWICK: To the extent you have an</p>	<p style="text-align: right;">Page 31</p> <p>1 CONFIDENTIAL - M. SCOTT 2 understanding, you can -- you can testify. 3 A. And can you repeat the question? 4 Q. Sure. 5 In paragraph 5 it states that "The 6 settlement agreement," it's referring to the FGIC 7 settlement agreement, "is a standalone agreement." 8 Do you have an understanding as to what it 9 means by standalone agreement? 10 A. I could speculate what is meant here, which 11 I don't want to do. 12 Q. If you go further down that paragraph it 13 says that "The agreement, along with the global plan 14 agreement, was painstakingly negotiated with Judge 15 Peck's assistance." Does that comment, in your 16 understanding, include the FGIC settlement agreement 17 or is it referring only to the global settlement 18 agreement? 19 MR. KOTWICK: Objection to the form. 20 A. And I can't be certain what the person who 21 drafted this meant. 22 Q. Okay. Will you turn to paragraph 21 of 23 this motion. 24 A. (Witness complies.) 25 Q. The first sentence reads, "Concurrently</p>
<p style="text-align: right;">Page 32</p> <p>1 CONFIDENTIAL - M. SCOTT 2 with the negotiations leading up to the completion 3 of the supplemental term sheet, the settlement 4 parties negotiated the terms of the settlement 5 involving FGIC and the FGIC trustees that was 6 acceptable to all of the settlement parties and 7 supported by the -- by many of the debtors' claimant 8 constituencies including each of the parties to the 9 global plan agreement." 10 Do you see that? 11 A. I do. 12 Q. Okay. What is meant by "concurrently with 13 the negotiations leading up to the completion of the 14 supplemental term sheet"?</p> <p>15 MR. KOTWICK: Objection to the form. 16 A. I couldn't speculate as to what it's -- 17 what it means. 18 Q. Okay. And other than the steering group, 19 who you have stated this morning approached U.S. 20 Bank about the commutations, who else was involved 21 in the negotiations that led to the FGIC settlement 22 agreement?</p> <p>23 MR. DEVORE: Objection to form. 24 A. I don't know. 25 Q. You don't know.</p>	<p style="text-align: right;">Page 33</p> <p>1 CONFIDENTIAL - M. SCOTT 2 When the steering group approached U.S. 3 Bank about the commutations, did they represent any 4 other -- did they represent to you that other 5 parties had been involved in the negotiations? 6 MR. KOTWICK: Objection. 7 MR. DEVORE: Objection to form. Assumes 8 facts not in evidence. 9 MR. KOTWICK: Objection to the extent that 10 any discussions surrounding the proposal that 11 was made are going to be subject to the 12 mediation privilege, and I'm going to direct 13 the witness not to answer with respect to the 14 substance of those discussions. 15 A. Yeah, I couldn't speak to who else was 16 involved. 17 Q. Okay. If you -- if you look at the front 18 of this motion, it discusses the parties that are 19 signing up to this agreement; is that fair? 20 MR. KOTWICK: Emma, are we looking at the 21 first page of the exhibit? 22 MS. JAMES: Yeah, we are looking at page 1 23 of the 9019, which states, in relevant part, 24 that the settlement agreement is among the 25 debtors, FGIC, the FGIC trustees, and the</p>

Page 34

Page 35

1 CONFIDENTIAL - M. SCOTT
 2 institutional investors.
 3 Q. Do you see that?
 4 A. I do.
 5 Q. Is it your understanding that those parties
 6 were involved in the negotiation of the FGIC
 7 settlement agreement?
 8 A. It's my understanding that those are the
 9 parties that entered into the settlement agreement.
 10 Q. Okay. Is it your understanding that all of
 11 them were involved in the negotiation of the FGIC
 12 settlement agreement?
 13 A. I don't know who is involved in the
 14 negotiation.
 15 Q. Okay. Was U.S. Bank involved in the
 16 negotiation of the FGIC settlement agreement?
 17 A. No.
 18 Q. It was not involved in the negotiation of
 19 the settlement agreement?
 20 A. No.
 21 Q. When was U.S. Bank first presented with the
 22 terms of the FGIC settlement agreement?
 23 A. As I stated, I believe it was the end of
 24 March or early April.
 25 Q. And U.S. Bank accepted all of those terms

Page 36

Page 37

1 CONFIDENTIAL - M. SCOTT
 2 reporter an exhibit to be marked as Exhibit 3,
 3 which is the proposed order attached to debtors
 4 9019 motion.
 5 (Scott Exhibit 3 marked for
 6 identification.)
 7 BY MS. JAMES:
 8 Q. I will give you a moment to take a look at
 9 that, Ms. Scott.
 10 A. Okay.
 11 Q. Have you seen this document before?
 12 A. Yes.
 13 Q. Okay. When was the first time you saw this
 14 document?
 15 A. I can't recall the exact date.
 16 Q. Okay. And you understand that this
 17 document is a proposed order that if the court
 18 approves the 9019 motion it's being asked to enter?
 19 A. Yes.
 20 Q. Okay. And if you look at the second page
 21 of this proposed order, we see there is a heading
 22 that says, "Adjudged, found and determined"?
 23 A. I do.
 24 Q. And I'd like to draw your attention to
 25 paragraph C under that heading, which reads, "The

1 CONFIDENTIAL - M. SCOTT
 2 without negotiation?
 3 MR. KOTWICK: Objection to the form.
 4 A. We reviewed the terms, vetted the terms,
 5 engaged a financial advisor to do an analysis.
 6 Q. But did not negotiate any of the terms in
 7 the FGIC settlement agreement as presented to you?
 8 A. We did not.
 9 Q. Okay. Did the FGIC settlement agreement,
 10 as presented to U.S. Bank, change from the time it
 11 was first presented to U.S. Bank through the time it
 12 was executed?
 13 MR. KOTWICK: Objection. I'm going to
 14 direct the witness not to answer to the extent
 15 that those discussions or any changes, if any,
 16 would have occurred during the mediation
 17 process, which is subject to the mediation
 18 order.
 19 A. I can't answer the question.
 20 MS. JAMES: Can we go off the record and
 21 take a break?
 22 (Recess taken from 11:43 A.M. to
 23 11:49 A.M.)
 24 MS. JAMES: I'm going to hand you the
 25 exhibit -- I'm sorry. I'm going to hand to the

1 CONFIDENTIAL - M. SCOTT
 2 settlement agreement and the transactions
 3 contemplated thereby, including the releases given
 4 therein, are in the best interests of the debtors,
 5 their estates, their creditors, the investors in
 6 each trust, each such trust, the trustees, and all
 7 other parties in interest."
 8 Do you see that?
 9 A. I do.
 10 Q. Do you believe that statement to be true?
 11 A. I do.
 12 Q. Why is the settlement agreement in the best
 13 interests of the debtors?
 14 A. So my understanding is that as part of the
 15 global settlement, the global ResCap settlement that
 16 is -- parties would consider that to be in their
 17 best interests as they have signed up to it.
 18 Q. So your basis for believing that the FGIC
 19 settlement agreement is in the debtors' best
 20 interest is that they have signed up to it?
 21 A. That would be my understanding.
 22 Q. Okay. How about the statement that "The
 23 settlement agreement and the transactions
 24 contemplated thereby, including the releases
 25 therein, are in the best interests of the trustees,"

Page 38

Page 39

1 CONFIDENTIAL - M. SCOTT

2 what is your understanding as to why the FGIC
 3 settlement agreement is in the best interest of the
 4 trustees?

5 A. I think the trustees and the trusts and the
 6 holders, all of that goes hand in hand.

7 Q. Okay. And why -- why is this agreement in
 8 the best interest of the trustees, the trusts and
 9 the holders?

10 A. Well, I would say we are -- we have eight
 11 transactions for which we are trustee where we are
 12 paying premiums and not seeing any protection or
 13 payments by FGIC on claims. When we saw this
 14 proposal, we engaged Duff to do the analysis, do a
 15 comparison of this proposed settlement versus what
 16 was being offered in the rehabilitation plan. Duff,
 17 you know, provided insight. They provided feedback
 18 that the lump sum payment was within a range of
 19 reasonableness. They also highlighted the fact that
 20 there is a lot of uncertainty that surrounds what's
 21 being offered under the rehabilitation plan. So
 22 considering those facts and the facts that these
 23 trusts no longer have to pay premiums, we considered
 24 that to be in the trusts' best interests.

25 Along with that, we know that this

1 CONFIDENTIAL - M. SCOTT

2 settlement, this FGIC settlement, is a part of the
 3 larger global ResCap settlement which for various
 4 factors we consider that to be in the best interest
 5 of the trusts and the holders. You know, there is a
 6 large -- a significant increase to the value of the
 7 estate because of the larger settlement. Given the
 8 AFI contribution, the larger settlement resolves a
 9 lot of potential litigation, you know, surrounding
 10 the 9019, the RMBS 9019, surrounding the claims for
 11 the additional settlement trusts, the cure claims,
 12 all of those have been allowed. The global
 13 settlement, it does a lot to stop the large accrual
 14 of administrative expenses.

15 So for various reasons we considered that
 16 to be in the best interest of holders. And then,
 17 you know, finally, these particular trusts, they
 18 have the ability -- they have allowed claims now
 19 within the ResCap bankruptcy. So several reasons.

20 Q. Okay. All right. Let's start with the
 21 trusts now having allowed claims in the bankruptcy.

22 What's your understanding as to the value
 23 of those allowed claims if the agreement goes
 24 through?

25 A. What's my understanding of the claims'

Page 40

Page 41

1 CONFIDENTIAL - M. SCOTT

2 monetary -- what the amounts are? I would have to
 3 refer to the schedules.

4 Q. Okay. And you stated that another reason
 5 why it's in the best interest of the trusts is that
 6 the trusts would no longer have to pay premiums to
 7 FGIC; is that correct?

8 A. That's correct.

9 Q. And what value was placed on the -- on the
 10 premiums that are now no longer owed, should the
 11 settlement agreement go through?

12 A. I believe that is approximately 18 million.

13 Q. Okay. And you mentioned that it resolves
 14 potential litigation. What do you mean by that?

15 A. Well, there were objections filed related
 16 to the 9019. The committee, MBAA, filed some
 17 objections. There could have been potential
 18 litigation related to asserting claims for the
 19 trusts that were not included in the settlement, the
 20 9019, the additional settlement trusts and the cure
 21 claims.

22 There were also intercreditor issues and
 23 litigation related to certain intercreditor issues.

24 Q. What issues were they?

25 A. For example, the trustees and the monolines

1 CONFIDENTIAL - M. SCOTT

2 may have had the same claims in discussing, you
 3 know, subordination, and priority of those claims
 4 could have been an issue.

5 Q. And when you say that the monolines -- the
 6 monolines and the trustees may have had the same
 7 claims, you are referring to claims made against the
 8 ResCap estate?

9 A. That's correct.

10 Q. And the settlement agreement releases all
 11 of those claims, whether made by the monolines or by
 12 the trustees; is that correct?

13 MR. KOTWICK: Objection to the form.

14 A. Which settlement agreement?

15 Q. The FGIC settlement agreement.

16 A. And can you repeat the -- your question?

17 Q. The FGIC settlement agreement releases all
 18 of those claims, whether made by the monolines or by
 19 the trustees; is that correct?

20 MR. KOTWICK: Objection to the form.

21 A. I think what I was outlining was provisions
 22 under the global ResCap settlement.

23 Q. Okay. Not the -- not the debtors' motion
 24 pursuant to federal rules of bankruptcy 9019 for the
 25 approval of the settlement agreement among FGIC, the

Page 42

Page 43

1 CONFIDENTIAL - M. SCOTT
 2 debtors, the trustees and the institutional
 3 investors?
 4 A. No, what I was just outlining had to do
 5 with the global settlement, the ResCap settlement.
 6 Q. Okay. But why is the FGIC settlement
 7 agreement in the best interests of the investors and
 8 the trusts, each trust, and the trustees?
 9 MR. KOTWICK: Objection to the form. Asked
 10 and answered.
 11 A. Right, I think I went over that as, you
 12 know, the settlement -- the FGIC settlement itself,
 13 why that was in the best interest of investors, but
 14 what I was saying is this is also a piece of a
 15 larger global settlement which we consider to be in
 16 the best interest of holders.
 17 Q. Okay. All right. You mentioned that the
 18 trustees engaged a financial advisor in connection
 19 with the FGIC settlement agreement; is that true?
 20 A. Yes.
 21 Q. And who was the financial advisor?
 22 A. Duff & Phelps.
 23 Q. And Duff & Phelps had previously been doing
 24 work with the trustees in connection with the
 25 broader bankruptcy; is that fair?

Page 44

Page 45

1 CONFIDENTIAL - M. SCOTT
 2 proposal?
 3 A. I can't recall.
 4 Q. Was it in March 2013?
 5 A. Again, I can't -- I can't recall exactly.
 6 Q. Was that an in-person meeting?
 7 A. I don't know.
 8 Q. You don't know, okay.
 9 What was discussed during that meeting with
 10 Duff & Phelps?
 11 A. I believe counsel was involved with any
 12 meetings with Duff & Phelps.
 13 Q. But you -- you did meet with Duff & Phelps?
 14 A. Counsel on behalf of U.S. Bank may have met
 15 with Duff & Phelps. If you are asking me
 16 personally, I was -- I attended, you know, the
 17 presentation that they provided after they did their
 18 analysis.
 19 Q. Okay. And did you attend that presentation
 20 in person?
 21 A. No, I attended over the phone. They did --
 22 they did a web presentation.
 23 Q. Okay. And do you recall the approximate
 24 date of that telephone call?
 25 A. I don't. I don't.

1 CONFIDENTIAL - M. SCOTT
 2 A. That's right.
 3 Q. When was Duff & Phelps first asked to
 4 provide an opinion or perform analysis of the
 5 FGIC -- of the terms of the FGIC settlement
 6 proposal?
 7 A. I don't -- I can't recall.
 8 Q. Was it in January 2013?
 9 A. It would have been shortly after we saw the
 10 proposal come through.
 11 Q. Okay. And what was Duff & Phelps asked to
 12 do in connection with the FGIC settlement proposal?
 13 A. At a very high level, they reviewed -- they
 14 compared the FGIC settlement to what was being
 15 offered under the rehabilitation plan.
 16 Q. In order to perform that analysis, what --
 17 what information was Duff & Phelps provided?
 18 MR. KOTWICK: Objection to the form.
 19 A. I can't speak to that.
 20 Q. Did you meet with Duff & Phelps in
 21 connection with the FGIC settlement agreement or
 22 FGIC settlement proposal?
 23 A. We did.
 24 Q. When was the first time you met with Duff &
 25 Phelps in connection with the FGIC settlement

Page 46

Page 47

1 CONFIDENTIAL - M. SCOTT
2 A. I can't remember who did -- well, are you
3 asking from Duff? I can't remember who led or -- it
4 was a couple of different people.
5 Q. Okay. And it was mainly representatives of
6 Duff & Phelps speaking on this call?
7 A. No. The participants asked questions as
8 well.
9 Q. And who were the other participants on the
10 call other than yourself?
11 A. I can't remember specifically. I know
12 there were other trustee representatives and counsel
13 for the trustees.
14 Q. Okay. Was FGIC on this call?
15 A. No.
16 Q. Was the rehabilitator on this call?
17 A. No.
18 Q. Was Lazard on this call?
19 A. No, not that -- I mean, I don't recall any
20 of these people, no.
21 Q. Okay. Was there anyone else from the
22 Official Committee of the Unsecured Creditors on
23 this call?
24 A. I don't --
25 MR. KOTWICK: Objection to the form. Other

Page 48

Page 49

1 CONFIDENTIAL - M. SCOTT
2 MS. JAMES: Handing to the court reporter
3 to mark as Exhibit 4 a document Bates stamped
4 USB-MS00068 through 00078.
5 (Scott Exhibit 4 marked for
6 identification.)
7 Q. Ms. Scott, I'll give you a moment to take a
8 look at that document.
9 A. Okay.
10 Q. Do you recognize this document?
11 A. Yes.
12 Q. Okay. And you'll see on the top of the
13 first page it appears to be an e-mail coming from
14 alves@sewkis.com to Mamta Scott. I assume that's
15 you?
16 A. Yes.
17 Q. Laura Moran, I think you testified
18 previously she was -- she is also in your group and
19 is the individual responsible for the FGIC
20 rehabilitation side -- rehabilitation proceedings;
21 correct?
22 A. Yes.
23 Q. And also to James Byrnes. Who is James
24 Byrnes?
25 A. He is also a member of the default group.

1 CONFIDENTIAL - M. SCOTT
2 than the FGIC trustees who might have been --
3 MS. JAMES: That's fair, sorry.
4 Q. Other than the other FGIC trustees who were
5 also on the UCC, were there any other
6 representatives from the unsecured creditors
7 committee on the call?
8 A. I don't believe so.
9 Q. Okay. During this call, did Duff & Phelps
10 walk you through their analysis?
11 A. They did.
12 Q. Okay. And in order to do that did you have
13 something in front of you to review?
14 A. I mentioned they had a WebEx, so the
15 presentation was up online.
16 Q. Okay. But you are not sure whether you
17 received a copy of what they were walking through in
18 advance of the call?
19 A. I'm not sure.
20 Q. Okay. Did you at some point receive a copy
21 of the draft Duff & Phelps report?
22 A. Whether it was a draft or final, I can't
23 recall.
24 Q. Okay. Let's take a look at some of the
25 documents that you received.

Page 50

Page 51

1 CONFIDENTIAL - M. SCOTT

2 is redacted.

3 MR. KOTWICK: Objection to the form.

4 Q. Attached to this e-mail, and starting on
5 page Bates stamped USB-MS00071 appears to be a
6 report from Duff & Phelps.7 What's your understanding as to what this
8 report is?9 A. My understanding is that this is Duff &
10 Phelps' analysis of the comparison they did of the
11 FGIC settlement versus what was being offered in the
12 rehabilitation plan.13 Q. Okay. And you see on the first page there
14 it says, "Draft." Is this the draft report that you
15 believe that you were sent?16 A. It appears this -- yeah, this is the report
17 that was sent to me.18 Q. Okay. And when you received this report,
19 did you review it?

20 A. I'm sure I did. I can't recall for sure.

21 Q. Okay. And do you know if Mr. Byrnes
22 reviewed it?

23 A. I couldn't speak for him.

24 Q. Okay. And what about Ms. Moran?

25 A. I also could not speak for her.

1 CONFIDENTIAL - M. SCOTT

2 Q. Okay. Did you speak with Ms. Moran or
3 Mr. Byrnes about the contents of this draft report?

4 A. I do not believe I did.

5 Q. Okay. In connection with the FGIC
6 settlement agreement, you signed that on behalf of
7 U.S. Bank; is that correct?

8 A. I did.

9 Q. Okay. Whose permission did you need to
10 secure within U.S. Bank before you were able to sign
11 that agreement?

12 MR. KOTWICK: Objection to the form.

13 A. I'm a vice president of the bank. I'm an
14 authorized signer. I'm able to sign on behalf of
15 the bank, and I, you know, I vetted the terms of the
16 agreement with my manager, his manager, some
17 business line folks, so...

18 Q. Okay. And who were those people?

19 A. I believe I gave you my manager's name
20 already, Tim Pillar. His manager, do you need the
21 name?

22 Q. Yes, please.

23 A. Scott Strohhoff, S-t-r-o-d-h-o-f-f, and
24 Diane Reynolds.

25 Q. And who is Diane Reynolds?

Page 52

Page 53

1 CONFIDENTIAL - M. SCOTT

2 A. She is a manager in the -- I would say a
3 manager of the account managers who work on the
4 various RMBS transactions.5 Q. Okay. And when you say that you vetted the
6 terms of the agreement with Mr. Pillar,
7 Mr. Strohhoff and Ms. Reynolds, what do you mean by
8 that?9 A. Well, I brought up the proposed settlement
10 agreement on a group call, you know, outlined the
11 terms of the agreement, walked them through, you
12 know, Duff's analysis and kind of our internal
13 process to see if there, you know, was any feedback
14 or any issues. That's pretty much the extent of it.15 Q. Okay. And when you say that you brought up
16 the proposed settlement agreement on a group call,
17 did you send them -- did you send Mr. Pillar,
18 Mr. Strohhoff, and Ms. Reynolds the Duff & Phelps
19 analysis before that call?

20 MR. KOTWICK: Objection to the form.

21 A. No.

22 Q. Did you send it to them at any time?

23 A. No.

24 Q. So on this call you simply gave a summary
25 of Duff & Phelps' analysis?

1 CONFIDENTIAL - M. SCOTT

2 A. That's right.

3 Q. Okay. Did Mr. Pillar, Mr. Strohhoff, or
4 Ms. Reynolds raise any questions about the terms of
5 the proposed settlement agreement?

6 MR. KOTWICK: Objection to the form.

7 A. Can you repeat the question?
8 (Record was read as requested.)

9 A. No.

10 Q. Did they have any concerns about the
11 proposed settlement agreement?

12 MR. KOTWICK: Objection to the form.

13 A. No.

14 Q. Did they have any concerns about the Duff &
15 Phelps analysis as you described it?

16 MR. KOTWICK: Objection to the form.

17 A. No.

18 Q. Did any of them have a different opinion as
19 to the adequacy of the FGIC settlement agreement
20 than the opinion you expressed during that call?

21 MR. KOTWICK: Objection to the form.

22 A. I don't think I expressed an opinion. I
23 was laying out the facts.24 Q. Okay. During that call did you -- did you
25 state that you intended to sign the FGIC settlement

Page 54

Page 55

1 CONFIDENTIAL - M. SCOTT
 2 agreement on behalf of the bank?
 3 A. No.
 4 Q. When did you inform Mr. Pillar,
 5 Mr. Strohhoff, and Ms. Reynolds that you intended to
 6 enter into the FGIC settlement agreement on behalf
 7 of U.S. Bank?
 8 MR. KOTWICK: Objection to the form.
 9 A. I can't remember exactly when. It was
 10 very, very close to actually executing the
 11 agreement.
 12 Q. Okay. And that agreement was executed on
 13 May 23rd, 2013; is that correct?
 14 A. That's my recollection. I would need to
 15 confirm the date on the agreement.
 16 Q. Okay. And when you informed them that you
 17 were going to enter into the agreement, did any of
 18 them raise any concerns?
 19 MR. KOTWICK: Objection to the form.
 20 A. No.
 21 Q. Did any of them at any time receive a copy
 22 of the Duff & Phelps analysis?
 23 A. No.
 24 MR. KOTWICK: Objection to the form.
 25 Q. Did you have any e-mail communications with

Page 56

Page 57

1 CONFIDENTIAL - M. SCOTT
 2 behalf of U.S. Bank?
 3 MR. KOTWICK: Objection to the form.
 4 A. I think I just mentioned that I did keep
 5 them informed.
 6 Q. Okay. But they never requested to see a
 7 copy of the agreement you entered into on behalf of
 8 the bank?
 9 A. No.
 10 Q. All right. Let's turn back to Exhibit 4,
 11 which attaches the draft Duff & Phelps analysis.
 12 And I'm looking now at the page Bates stamped 00072.
 13 The first sentence on that page reads, "In late
 14 March FGIC delivered a commutation proposal
 15 (Proposal) to the Steering Committee Group of RMBS
 16 holders for ResCap related trusts to provide global
 17 resolution regarding the pending RMBS litigation."
 18 Do you see that?
 19 A. I do.
 20 Q. Is it your understanding that this proposal
 21 was delivered to the steering committee by FGIC?
 22 A. I mean, according to what that statement
 23 says, that would be my understanding.
 24 Q. Okay. And do you have an understanding as
 25 to how Duff & Phelps learned of this information?

1 CONFIDENTIAL - M. SCOTT
 2 any of them regarding the FGIC settlement agreement
 3 or the Duff & Phelps analysis?
 4 MR. KOTWICK: Objection to the form.
 5 A. No.
 6 Q. You didn't e-mail them to tell them that
 7 the FGIC settlement agreement had been executed?
 8 A. Everything -- I find it easier to call
 9 people, quicker, and you can answer questions
 10 easier.
 11 Q. Okay. What about when the FGIC settlement
 12 agreement was entered into, did you send them a copy
 13 of the executed agreement?
 14 A. No.
 15 Q. Did you send anyone at the bank a copy of
 16 the executed agreement?
 17 A. I can't recall. Yeah, I can't recall.
 18 Q. Would it be your usual practice when you
 19 enter into an agreement on behalf of the bank, of
 20 U.S. Bank, to send that agreement around within the
 21 bank to those who needed to be informed?
 22 A. That's -- yeah, that would be -- but, I
 23 mean, I was handling the issue.
 24 Q. Okay. And your superiors don't need to be
 25 kept informed about agreements that you sign on

1 CONFIDENTIAL - M. SCOTT
 2 A. I would -- I mean, I would speculate here
 3 that when we found out about it, we -- I mean,
 4 they're our financial advisor, that we approached
 5 them to do the analysis.
 6 Q. Okay. And who approached them to do the
 7 analysis?
 8 A. I couldn't say.
 9 Q. Have you read the FGIC rehabilitation plans
 10 referred to in the first bullet point on this page?
 11 A. No.
 12 Q. You haven't?
 13 A. No.
 14 Q. Has anyone at U.S. Bank read the FGIC
 15 rehabilitation plans?
 16 MR. KOTWICK: Object as outside the scope
 17 of the 30(b)(6).
 18 A. I don't know.
 19 Q. About two thirds of the way down the page
 20 is a statement, "In the revised base case scenario,
 21 the policyholders would receive a recovery of
 22 28.5 percent on their claim based on a net present
 23 value of the distributions discounted at an
 24 illustrative rate of 15 percent."
 25 Do you see that?

Page 58

Page 59

1 CONFIDENTIAL - M. SCOTT

2 A. I do.

3 Q. What's your understanding of what that
 4 means?

5 A. You know, as I sit here today, I don't have
 6 an understanding. At the time I'm sure Duff would
 7 have covered this information, and I would have
 8 known.

9 Q. Do you have an understanding that under the
 10 FGIC rehabilitation plan policyholders were expected
 11 to receive a recovery, if it was reviewed, with a
 12 15 percent discount rate of 28.5 percent on their
 13 claim?

14 MR. DEVORE: Objection to form.

15 A. And can you repeat the question?

16 Q. Do you have an understanding, or do you
 17 understand that under the FGIC rehabilitation plan
 18 the policyholders were projected to receive a
 19 recovery with -- using a 15 percent discount rate of
 20 28.5 percent on their claims?

21 MR. KOTWICK: Objection to form.

22 A. I may have had an understanding of that --
 23 of that during the presentation.

24 Q. Okay. Do you know what Duff & Phelps
 25 reviewed in order to reach this, the conclusions

1 CONFIDENTIAL - M. SCOTT

2 contained in this report?

3 A. Specifically I don't know what they
 4 reviewed.

5 Q. Generally?

6 A. Materials provided by Lazard, but other
 7 than that, I don't know what else they would have
 8 reviewed.

9 Q. Okay. And what was Lazard's role in this?

10 A. I don't know.

11 Q. Why was Lazard providing Duff & Phelps with
 12 materials?

13 A. I believe they work on the FGIC
 14 rehabilitation. In what capacity -- I knew at one
 15 point -- I don't know right now.

16 Q. Okay. All right. If we look at page 3 of
 17 this draft report, it's Bates stamped 73, and the
 18 heading there is "FGIC proposal commutation and
 19 claim."

20 It says, "The proposal outlines a cash
 21 payment of approximately 253 million by FGIC upon
 22 emergence in exchange for the ability for FGIC to
 23 assert approximately 597 million of allowed claims
 24 at ResCap."

25 Do you see that?

Page 60

Page 61

1 CONFIDENTIAL - M. SCOTT

2 A. I do.

3 Q. And then there is an analysis of -- there
 4 appears to be an analysis of this proposal. Is that
 5 a fair characterization of the right-hand side of
 6 this page?

7 MR. KOTWICK: Objection to the form.

8 A. Can you repeat what --

9 Q. Sure. It was a bad question. I will
 10 rephrase.

11 On the left-hand side there is a bullet
 12 point that starts, "The following proposal is based
 13 on the following three main assumptions," and there
 14 is, "A. Initial cash payment percentage of
 15 17.25 percent based on the updated stress scenario
 16 pursuant to the plan."

17 What's your understanding as to what that
 18 means?

19 A. I mean, again, as I sit here today, I
 20 don't -- I couldn't speak to my understanding. At
 21 the time, as they were going through it, I'm sure I
 22 would have been able to speak to that.

23 Q. Okay. And you have testified here this
 24 morning that the Duff & Phelps analysis compares
 25 recoveries under the FGIC rehabilitation plan to the

1 CONFIDENTIAL - M. SCOTT

2 FGIC proposal; is that fair?

3 A. Yes, I believe so.

4 Q. Okay. And this -- this bullet point that
 5 we just looked at is speaking of an initial cash
 6 payment percentage of 17.25 percent based on the
 7 updated stress scenario pursuant to the plan. What
 8 plan do you understand is being referred to here?

9 A. I would assume what was being offered under
 10 the plan of rehabilitation.

11 Q. Okay. And you understand that under the
 12 plan of rehabilitation, policyholders would receive
 13 an initial cash payment percentage of 72 -- of
 14 17.25 percent of their claims?

15 MR. KOTWICK: Objection to the form.

16 A. That's what it appears to be saying here.

17 Q. Okay. And if you look at point B here,
 18 "The base case payout to policyholders of
 19 28.5 percent based on the updated base case scenario
 20 pursuant to the plan, assuming a 15 percent discount
 21 rate."

22 Do you see that?

23 A. I do.

24 Q. Okay. What's your understanding as to what
 25 that means?

Page 62

Page 63

1 CONFIDENTIAL - M. SCOTT
2 A. I mean, again, I don't -- I couldn't speak
3 to that right now, but during the presentation I
4 would have had a better understanding.
5 Q. Did you review this document in preparation
6 for this deposition?
7 A. I did.
8 Q. You did, okay.
9 Did you review any other documents
10 referring to the FGIC rehabilitation plan?
11 MR. KOTWICK: Objection to the form.
12 A. Can you repeat that?
13 Q. Did you review any other documents
14 referring to the potential recoveries under the FGIC
15 rehabilitation plan, which is referred to obviously
16 in this document?
17 A. No.
18 Q. You did not, okay.
19 You understand that the projections under
20 the FGIC rehabilitation plan, as described by Duff
21 in this report, project a 28.5 percent recovery if a
22 15 percent discount rate is used; is that fair?
23 MR. KOTWICK: Objection to the form.
24 A. I mean, I can just confirm what is written
25 here.

Page 64

Page 65

1 CONFIDENTIAL - M. SCOTT
2 Q. Not enough to speak to it, okay.
3 And you don't know, therefore, if you don't
4 know enough to speak to the term "discount rate" how
5 discount rates are determined in general?
6 A. That's right.
7 Q. Let's go to point -- let's go to J, beside
8 it, it's the next point on this list and it refers
9 to a haircut or 40 percent on unpaid payout claim
10 estimates. Do you have an understanding as to what
11 that refers to?
12 A. As I sit here today, I don't. During the
13 presentation, I would have.
14 Q. Okay. Do you recall anyone asking any
15 questions as to the 40 percent haircut on unpaid
16 payout claim estimates?
17 A. I can't recall.
18 Q. Okay. Do you know what a haircut refers
19 to --
20 MR. KOTWICK: Objection.
21 Q. -- in this context?
22 A. You know, the same thing, not enough to
23 speak to it.
24 Q. Okay. Looking at the figures on the right
25 there, does it -- is it fair to say that the

1 CONFIDENTIAL - M. SCOTT
2 Q. Does a 15 percent discount rate strike you
3 as high?
4 MR. KOTWICK: Objection to the form.
5 A. I couldn't speak to that.
6 Q. Okay. How are discount rates usually
7 determined?
8 A. I also couldn't speak to that.
9 Q. What's your educational background,
10 Ms. Scott?
11 A. I went to the University of Chicago and
12 graduated with a bachelor's in economics.
13 Q. Do you have any graduate qualifications?
14 A. I don't.
15 Q. When you were going through this report
16 with Duff & Phelps, did you have an understanding as
17 to what the term "discount rate" referred to?
18 A. As we were going through the presentation,
19 I may have had a better understanding as they
20 described "discount rate." I couldn't speak to it
21 right now.
22 Q. So sitting here today, you don't understand
23 the term "discount rate"?
24 MR. KOTWICK: Objection to the form.
25 A. Not enough to speak to it.

1 CONFIDENTIAL - M. SCOTT
2 40 percent haircut identified by the letter J causes
3 the total amount of the cash commutation paid by
4 FGIC to reduce, to become smaller?
5 MR. KOTWICK: Objection to the form.
6 A. Can you repeat that?
7 Q. Looking at the figures on the right of this
8 page, is it fair to say that the 40 percent haircut,
9 and that's identified by the letter J in the
10 parenthetical on the left-hand side, causes the
11 total amount of the cash commutation to be paid by
12 FGIC to become smaller?
13 MR. KOTWICK: Objection to the form.
14 A. Again, I couldn't speak to it.
15 Q. Okay. If you look at the next page of this
16 exhibit, Bates stamped 74, there is a heading that
17 says "FGIC Plan of Rehabilitation Summary." I will
18 give you a moment to read through that.
19 MR. KOTWICK: Would you like her to read
20 the entire page or any particular part?
21 MS. JAMES: It's pretty short, so if she
22 wants to read the page, it might help refresh
23 her recollection.
24 THE WITNESS: Okay.
25 Q. Okay. Does that refresh your recollection

Page 66

Page 67

1 CONFIDENTIAL - M. SCOTT
 2 as to the terms of the FGIC rehabilitation plan?
 3 MR. KOTWICK: Objection to the form.
 4 A. Can you repeat that?
 5 Q. Does this page refresh your recollection as
 6 to the terms of the FGIC rehabilitation plan?
 7 MR. KOTWICK: Objection to the form.
 8 A. I mean, it covers the plan as described by
 9 Duff & Phelps.
 10 Q. Okay. Did you independently verify that
 11 the plan as described by Duff & Phelps was, in fact,
 12 the plan that had been described in the context of
 13 the FGIC rehabilitation proceedings?
 14 A. I did not.
 15 Q. Okay. And you -- I take it, therefore, you
 16 did not go and look at any filings made in the FGIC
 17 rehabilitation proceedings to confirm?
 18 A. That's correct.
 19 Q. All right. Here there is a heading, "Base
 20 Scenario" and a heading "Stress Scenario." What was
 21 your understanding or what is your understanding of
 22 those terms in the context of the FGIC plan of
 23 rehabilitation?
 24 MR. KOTWICK: Objection to the form.
 25 A. My understanding, I mean, just based off of

Page 68

Page 69

1 CONFIDENTIAL - M. SCOTT
 2 Q. No, okay.
 3 Was it surprising to you here that there
 4 was a base scenario, which you described as a status
 5 quo scenario, and a stress scenario but no upside
 6 scenario?
 7 A. Was it surprising to me? I don't know what
 8 that means.
 9 Q. Would you expect that if there is a status
 10 quo scenario and a stress scenario, that there would
 11 likely also be a scenario that captured improving
 12 economic conditions?
 13 MR. KOTWICK: Objection to the form.
 14 A. I couldn't speak to that. I would expect
 15 our financial advisors to highlight the relevant
 16 information.
 17 Q. Okay. And you don't understand --
 18 you -- strike that.
 19 Do you have an understanding as to whether
 20 Lazard performed an analysis of an upside scenario?
 21 MR. KOTWICK: To be clear --
 22 MS. JAMES: Lazard.
 23 MR. KOTWICK: -- you said Lazard, okay.
 24 A. I don't know.
 25 Q. If you go to the next page, which has the

1 CONFIDENTIAL - M. SCOTT
 2 what is summarized here, is one scenario is
 3 expectations based off of kind of the status quo and
 4 one scenario is based off of stresses to the
 5 economy.
 6 Q. Okay. And was there an upside scenario
 7 discussed during the Duff & Phelps call?
 8 MR. KOTWICK: Objection to the form.
 9 A. I believe so.
 10 Q. And do you recall what the conclusion of
 11 Duff & Phelps was as to the potential recoveries
 12 under this upside scenario that was discussed?
 13 MR. KOTWICK: Objection to the form.
 14 A. I don't recall.
 15 Q. Have you reviewed analyses such as these in
 16 connection with other work you've performed for U.S.
 17 Bank as trustee?
 18 MR. KOTWICK: Objection to the form.
 19 A. Can you repeat the question?
 20 Q. Have you reviewed analyses such as these,
 21 you know, projecting recoveries under some sort of
 22 plan, in connection with other work you've performed
 23 for U.S. Bank as trustee or indenture trustee?
 24 MR. KOTWICK: Objection to the form.
 25 A. No.

1 CONFIDENTIAL - M. SCOTT
 2 heading "FGIC Plan of Rehabilitation, Base versus
 3 Stress Scenario."
 4 Do you see that?
 5 A. Yes.
 6 Q. And there is two dark boxes on this page,
 7 one described as "All FGIC Policyholders, Lazard
 8 Affidavit," and the next box reads "Claims for
 9 Policyholders of ResCap related RMBS Trusts Per
 10 D & P Estimates."
 11 Do you see that?
 12 A. I do.
 13 Q. What's your understanding of the difference
 14 between box one and box two?
 15 MR. KOTWICK: Just so I'm understanding,
 16 when you say dark -- I've got a copy, so I'm
 17 just trying to understand. The dark boxes you
 18 are referring to are the square boxes in the
 19 lower run of numbers?
 20 MS. JAMES: No, it's the boxes I read out.
 21 MR. KOTWICK: Oh, okay, the dark boxes on
 22 the left-hand side.
 23 MS. JAMES: Yeah, sorry.
 24 MR. KOTWICK: Okay. I'm sorry.
 25 Object to the form.

Page 70

Page 71

1 CONFIDENTIAL - M. SCOTT

2 A. I mean, my understanding is how it's
 3 represented here on the page. So one section
 4 discusses all FGIC policyholders and it appears to
 5 discuss their claims, and then the second box
 6 discusses claims for policyholders of ResCap related
 7 RMBS trusts per Duff & Phelps estimates.

8 Q. Okay. And do you have an understanding as
 9 to how Duff & Phelps arrived at their estimate?

10 A. I can't speak to that now. I may have at
 11 the time.

12 Q. Did anyone on the call that you referred to
 13 earlier ask how Duff arrived at these estimates?

14 A. There may have been questions. I can't
 15 recall.

16 Q. And in the second half of the page where
 17 there are the Duff estimates, there is a heading
 18 "Low Case" and a heading "High Case."

19 Do you have an understanding as to the
 20 difference -- or what the -- what "Low Case" refers
 21 to?

22 A. As I sit here today, no, I don't. I may
 23 have at the time.

24 Q. Okay. And how about "High Case"?

25 A. Same.

Page 72

Page 73

1 CONFIDENTIAL - M. SCOTT

2 that fair?

3 MR. KOTWICK: Objection to the form.

4 A. In this context, I wouldn't.

5 Q. Okay. So I take it you have no opinion as
 6 to the application of a 20 percent discount rate
 7 under this analysis?

8 A. That's right.

9 Q. And did you have an opinion at the time of
 10 the Duff & Phelps telephone call?

11 A. Did I have an opinion of what?

12 Q. The use of a 20 percent discount rate?

13 A. In what context?

14 Q. In the context of the Duff & Phelps call,
 15 did you have an opinion as to the use of a
 16 20 percent discount rate?

17 A. I guess related to this page, I may have
 18 had an opinion as they were walking through their
 19 analysis.

20 Q. Okay. All right. If you go to the last
 21 page of this document, there is a heading "Next
 22 Steps and Follow-up Questions."

23 Do you see that?

24 A. I do.

25 Q. It says, "Prior to the confirmation hearing

1 CONFIDENTIAL - M. SCOTT

2 Q. If you go to the next page, you can see
 3 again there is "Low Case" and "High Case." I ask
 4 you to take a look and see if your recollection is
 5 refreshed as to what these terms mean?

6 A. It doesn't appear that those are defined
 7 here on the page. So, again, they may have
 8 discussed it during the presentation, but I couldn't
 9 speak to it right now.

10 Q. Okay. You see the top of that page, it
 11 says, "Under the base scenario the ResCap RMBS trust
 12 policyholders may receive approximately 200 million
 13 to 320 million on a net present value basis."

14 Do you see that? Do you have an
 15 understanding as to how those numbers were reached?

16 A. I can't recall.

17 Q. Okay. If you look down on this page, you
 18 can see there are boxes containing projections under
 19 a heading of "Total Recovery Applied at Different
 20 Discount Rates." And you will see the \$200 million
 21 figure appears under the heading "Low Case," using a
 22 discounted cash flow of 20 percent?

23 A. Okay.

24 Q. You have already stated that you don't
 25 understand what "Discount Rate" means. So -- is

1 CONFIDENTIAL - M. SCOTT

2 currently set for June 11, 2013, additional
 3 follow-up discussions on the commutation proposal
 4 will likely be centered around the following key
 5 issues," and then there are seven issues.

6 One of those issues is, "Effect of unpaid
 7 payout assumption of 60 percent included in the
 8 proposal."

9 Do you have an understanding as to what
 10 that means?

11 A. As I sit here today, I don't. At the time
 12 I may have had an understanding.

13 Q. Okay. Do you know what's meant generally
 14 by the heading here, "Next Steps and Follow-up
 15 Questions"?

16 A. Do I know what that means?

17 Q. Why was this page included, do you know?

18 A. I can't remember.

19 Q. Okay. Who -- who was going to be asking
 20 these follow-up questions?

21 A. I don't know.

22 Q. Was Duff & Phelps -- did Duff & Phelps make
 23 any statements on the call as to why follow-up
 24 questions had been included in their draft
 25 presentation?

<p style="text-align: right;">Page 74</p> <p>1 CONFIDENTIAL - M. SCOTT 2 A. I can't remember. 3 Q. Did Duff & Phelps say anything about having 4 to follow up with Lazard on some of the assumptions 5 included in the FGIC proposal? 6 A. They may have, but I can't remember for 7 sure. 8 Q. Okay. Was it your understanding that Duff 9 was in dialogue with Lazard as to the -- as to the 10 FGIC proposal? 11 A. Yeah, I think that's fair. 12 Q. And was it your understanding that Lazard 13 was providing any answers to questions Duff & Phelps 14 may have had about their proposal? 15 MR. GREEN: I'd like to object to the 16 extent that is asking for information that's 17 covered by the mediation privilege and the 18 order from the court. 19 A. And can you repeat the question? 20 Q. Sure. 21 Was it your understanding that Lazard was 22 providing answers to questions Duff & Phelps may 23 have had about the FGIC proposal? 24 A. I don't have an understanding as far as the 25 communications went between the two parties.</p>	<p style="text-align: right;">Page 75</p> <p>1 CONFIDENTIAL - M. SCOTT 2 Q. Okay. And was it your understanding that 3 FGIC was providing answers to any questions Duff & 4 Phelps may have had about the FGIC proposal? 5 A. I don't know that. 6 Q. Okay. There is a final bullet point on 7 this page, "Timing of commutation related to overall 8 FGIC rehabilitation proceeding." 9 Do you see that? 10 A. I do. 11 Q. Do you have an understanding as to what 12 was -- what was being referred to in that bullet 13 point? 14 A. I can't recall. 15 MS. JAMES: Okay. Can we take a break? 16 (Lunch recess taken from 12:42 P.M. to 17 1:29 P.M.) 18 19 20 21 22 23 24 25</p>
<p style="text-align: right;">Page 76</p> <p>1 CONFIDENTIAL - M. SCOTT 2 AFTERNOON SESSION 3 (Time noted: 1:29 P.M.) 4 M A M T A S C O T T, 5 resumed and testified as follows: 6 CONTINUED EXAMINATION 7 BY MS. JAMES: 8 Q. Ms. Scott, you said before that U.S. Bank 9 has eight FGIC wrapped trusts that are part of the 10 FGIC settlement agreement; is that correct? 11 A. That's correct. 12 Q. Did U.S. Bank determine or has U.S. Bank 13 determined whether or not there has been an event of 14 default for any of these trusts? 15 A. No. 16 Q. Hasn't determined whether or not there has 17 been an event of default? 18 A. That's correct. 19 Q. And you are not aware of any analysis being 20 done to determine whether or not an event of default 21 has occurred under any of the trusts? 22 MR. KOTWICK: Objection. To -- to the 23 extent you can answer that without revealing 24 any discussions of counsel, you should -- you 25 should answer the question.</p>	<p style="text-align: right;">Page 77</p> <p>1 CONFIDENTIAL - M. SCOTT 2 A. No. 3 Q. You are not aware of any analysis being 4 performed? 5 A. That's right. 6 Q. Do you understand the duties that the 7 trustees owed to the noteholders or certificate 8 holders under the trusts? 9 MR. KOTWICK: Objection to form. 10 A. Specifically, I would have to look at the 11 transaction documents. 12 Q. Okay. Is there -- do the trustees owe 13 fiduciary duties to the certificate holders or 14 noteholders under the trusts? 15 MR. KOTWICK: Objection to form. Calls for 16 a legal conclusion. 17 A. I'm not sure what you mean by "fiduciary." 18 Q. You don't understand the term "fiduciary"? 19 A. I'm not a lawyer. 20 Q. You're not a lawyer, okay. 21 Have you heard the term "fiduciary" before? 22 A. I have. 23 Q. And what's your non-lawyer understanding of 24 the definition of that term? 25 A. I couldn't really even speak to it.</p>

Page 78

Page 79

1 CONFIDENTIAL - M. SCOTT

2 MS. JAMES: Okay. All right. I'm going to
3 ask the reporter to mark as exhibit -- ask the
4 reporter to mark as Exhibit 5 a document filed
5 with the bankruptcy court Docket 3940-5
6 entitled "Declaration of Mamta K. Scott as
7 Officer of U.S. Bank as RMBS Trustee."

8 (Scott Exhibit 5 marked for
9 identification.)

10 Q. Have you seen this document before,
11 Ms. Scott?

12 A. I have.

13 Q. And is that your signature on page 27 of
14 that document?

15 A. It is.

16 Q. Did you review this document before signing
17 it?

18 A. I did.

19 Q. Did you write this document?

20 A. I did not.

21 Q. Do you agree with everything in this
22 document?

23 A. I would say yes.

24 Q. Okay. At the time -- at the time of
25 signing, you agreed with all of the statements

1 CONFIDENTIAL - M. SCOTT

2 contained in this document?

3 A. That's correct.

4 Q. Okay. If you can look at paragraph 1, you
5 state that -- you state, "I have personal knowledge
6 of the facts set forth herein except as to certain
7 matters that I believe to be true based on (a)
8 information provided by Duff & Phelps, LLC, (b)
9 information about positions of parties in these
10 Chapter 11 cases contained in pleadings that I
11 reviewed, were reported to me by counsel, or I
12 learned during my participation in the plan
13 mediation (defined below), and (c) my review of
14 business records of U.S. Bank, N.A."

15 Do you see that?

16 A. I do.

17 Q. As to C, what business records of U.S.
18 Bank, N.A., did you review in connection with the
19 signing of this declaration?

20 A. I can't recall exactly what was reviewed.

21 Q. How about generally?

22 A. Again, specific documents I can't -- I
23 can't recall. There were various documents
24 reviewed.

25 Q. Can you give me an example of some of those

Page 80

Page 81

1 CONFIDENTIAL - M. SCOTT

2 documents?

3 A. I can't right now. I can't think of
4 anything.

5 Q. Can't think of a single document you
6 reviewed in connection with the --

7 A. Maybe as we go through --

8 MR. KOTWICK: Objection to the form.
9 Argumentative.

10 A. Maybe as we go through this, I may refresh
11 my recollection.

12 Q. Okay. If we can turn to paragraph 64,
13 which is on page 24. In that paragraph starting on
14 the second line -- or the first line you say,
15 "Duff & Phelps conducted an analysis of the economic
16 terms of the FGIC settlement using both publicly
17 available and non-public information from Lazard,
18 the financial advisor to the rehabilitator, as to
19 projected future claims and anticipated payouts
20 pursuant to the plan of rehabilitation."

21 Do you have an understanding as to what
22 non-public information from Lazard you were
23 referring to in this paragraph?

24 A. Of what exactly it was, I can't recall.

25 Q. Did you see any of this non-public

1 CONFIDENTIAL - M. SCOTT

2 information from Lazard?

3 A. No.

4 Q. Did you see any information from Lazard
5 other than what's contained in the draft Duff &
6 Phelps report and the final Duff & Phelps report?

7 A. No.

8 Q. In paragraph 65 you write that "Duff &
9 Phelps advised the FGIC RMBS trustees that the FGIC
10 settlement, including the FGIC lump sum payment,
11 represented a reasonable resolution of the accrued
12 and unpaid claims and projected future claims
13 against FGIC under the FGIC policies."

14 What did you mean by "represented a
15 reasonable resolution"?

16 A. According to Duff & Phelps in their
17 presentation, the 253 million lump sum payment fell
18 within a range of reasonableness.

19 Q. As compared to what?

20 A. They did a comparison of the FGIC
21 settlement with what was being provided under the
22 plan of rehabilitation.

23 Q. Did Duff & Phelps opine that the FGIC
24 proposal was better than the FGIC rehabilitation
25 plan projections?

Page 82

1 CONFIDENTIAL - M. SCOTT
 2 MR. KOTWICK: Objection to the form.
 3 A. Can you repeat the question?
 4 Q. Did Duff & Phelps opine that the FGIC
 5 proposal was better than the FGIC rehabilitation
 6 plan projections?
 7 A. I can't recall if they used that language.
 8 Q. Did Duff & Phelps opine that the FGIC
 9 proposal was in the best interests of the investors
 10 in the trusts?
 11 A. I don't recall. Like I said, I believe
 12 that they stated the amount was within a certain
 13 range of reasonableness.
 14 Q. And is your understanding that the
 15 amount -- that Duff & Phelps' conclusion that the
 16 amount was within a range of reasonableness meant
 17 that Duff & Phelps believed that the \$253 million
 18 amount fell within the low end -- fell somewhere
 19 between the low end of the Lazard projections and
 20 the high end of the Lazard projections?
 21 MR. KOTWICK: Objection to the form.
 22 A. And can you repeat the question one more
 23 time?
 24 Q. Yeah, that was a very poorly worded
 25 question. I apologize.

Page 84

1 CONFIDENTIAL - M. SCOTT
 2 the Lazard FGIC rehabilitation plan?
 3 MR. KOTWICK: Objection to the form.
 4 A. So what I see here is that it's stating
 5 that the settlement proposal is within the range of
 6 reasonableness under either scenario, the base
 7 scenario or the stress scenario outlined in their
 8 presentation.
 9 Q. Okay. And the base scenario and the stress
 10 scenario that they are referring to is a base
 11 scenario and the stress scenario contained in
 12 Lazard's projections in connection with the FGIC
 13 rehabilitation proceedings; is that correct?
 14 MR. KOTWICK: Objection to the form.
 15 A. I think I would have -- I would know that
 16 at the time of their presentation. I couldn't
 17 confirm that now without knowing what these
 18 scenarios are.
 19 Q. Does the heading at the top of the chart
 20 here that says "FGIC Plan" on page 3 help you?
 21 A. Oh, it appears that, yes, the base scenario
 22 and the stress scenario fall under the column that
 23 says "FGIC Plan."
 24 Q. Okay. Does Duff & Phelps reach the
 25 conclusion anywhere in this report that the FGIC

1 CONFIDENTIAL - M. SCOTT
 2 When you say that -- that Duff & Phelps
 3 believed that the \$253 million amount was within a
 4 certain range of reasonableness, is that certain
 5 range the range from the low end of the Lazard
 6 projections to the high end of the Lazard
 7 projections?
 8 MR. KOTWICK: Objection to the form.
 9 A. I would need to confirm with their report.
 10 Q. Okay. Go for it. Have a look.
 11 A. Actually, the report provided here is a
 12 draft.
 13 MS. JAMES: Sure. Let me -- let me hand
 14 the reporter a document that is Bates stamped
 15 TR-MS000001 through TR-MS000009.
 16 (Scott Exhibit 6 marked for
 17 identification.)
 18 Q. Have you seen this document before?
 19 A. I have.
 20 Q. And do you understand this to be the final
 21 Duff & Phelps report?
 22 A. Yes.
 23 Q. Okay. And if you take a moment now to look
 24 and see whether the range of reasonableness you were
 25 referring to is, in fact, the range projected under

Page 85

1 CONFIDENTIAL - M. SCOTT
 2 proposal is in the best interests of the investors?
 3 A. Do you want me to go through the report?
 4 Q. Do you understand Duff & Phelps to have
 5 reached the conclusion that the FGIC commutation
 6 proposal was in the best interests of the investors?
 7 A. I believe that they, you know, they state
 8 that the amount falls within a range of
 9 reasonableness, and, I mean, they highlight aspects
 10 of both plans and they basically state that the
 11 amount falls within a range of reasonableness.
 12 Q. Okay. And does that mean the same thing as
 13 it is in the best interests of the investors?
 14 A. Unless they would use that terminology, I
 15 wouldn't know if they meant the same thing.
 16 Q. Okay. What does "in the best interests"
 17 mean?
 18 A. Just generally speaking, by whose
 19 definition or --
 20 Q. By yours.
 21 A. You know, as I outlined, there were several
 22 factors that went into why we considered this plan
 23 and the global settlement to be in the best interest
 24 of holders. What -- what are you looking for
 25 exactly?

Page 86

Page 87

1 CONFIDENTIAL - M. SCOTT

2 Q. I'm asking -- I'm asking for a definition
3 of "best interests." I'm asking if "best interests"
4 means within a range of reasonableness.

5 MR. KOTWICK: Objection to the form.

6 A. No, I wouldn't consider that to mean the
7 same thing.

8 Q. Going back to your declaration, do you
9 state in your declaration that the FGIC settlement
10 agreement is in the best interests of the holders?

11 A. I would have to go through my declaration
12 to see.

13 Q. You don't recall whether or not you made
14 that statement in your declaration?

15 A. I mean, the statement is a pretty lengthy
16 document. I can't remember every sentence.

17 MS. JAMES: Handing the reporter now a
18 document Bates stamped USB-MS00084 through
19 zero -- sorry. I'm going to pull that one
20 back.

21 Can we go off the record for a minute.

22 (Recess taken from 1:46 P.M. to
23 1:47 P.M.)

24 BY MS. JAMES:

25 Q. Ms. Scott, when you received the final

1 CONFIDENTIAL - M. SCOTT

2 Duff & Phelps analysis, which is sitting -- sitting
3 in front of you, was there an additional call with
4 Duff & Phelps to discuss the conclusions contained
5 in that analysis?

6 A. The call that we had was the call that I
7 mentioned. I don't recall if this was the
8 presentation they used or not. I believe that the
9 presentation that they used in that call was the
10 final version.

11 Q. Was the final version?

12 A. I don't know for sure, but...

13 Q. Okay. Did you ask any questions during
14 that call?

15 A. I did not, but my counsel did.

16 Q. Your counsel did, okay.

17 Did other trustees ask questions during
18 that call?

19 A. I can't remember.

20 Q. Did anyone during that call question any of
21 the assumptions contained in the report?

22 A. They may have. There were several
23 questions asked.

24 Q. But you don't --

25 A. There was a lot of discussion.

Page 88

Page 89

1 CONFIDENTIAL - M. SCOTT

2 Q. Sure. Sorry for interrupting you.

3 You don't recall any of those questions?

4 A. I can't think of any.

5 Q. And you didn't ask any questions yourself?

6 A. I did not.

7 Q. And other than your counsel, did anyone
8 else from U.S. Bank ask any questions?

9 MR. KOTWICK: Objection to the form.

10 A. I was the only one on the call from U.S.
11 Bank.

12 Q. Okay. You stated before that U.S. Bank is
13 a member of the Official Unsecured Creditors
14 Committee; is that correct?

15 A. That's right.

16 Q. Is FGIC also a member of the Unsecured
17 Creditors Committee?

18 A. Yes.

19 Q. And have you attended meetings of the
20 Unsecured Creditors Committee which FGIC was also
21 participating?

22 A. Yes.

23 Q. And who from FGIC would attend those
24 meetings?

25 A. I can't remember.

1 CONFIDENTIAL - M. SCOTT

2 Q. Okay. Did Mr. Dubel attend those meetings?

3 A. Yes.

4 Q. Are you aware of a conflict in that
5 committee concerning the participation of MBIA and
6 FGIC?

7 MR. KOTWICK: Objection. To the extent
8 that you are asking her to disclose
9 communications that occurred in the context of
10 a committee meeting, my understanding is that
11 the bylaws have certain confidentiality, and
12 until I get clarification from committee
13 counsel that it doesn't apply in this
14 situation, I'm going to ask the witness not to
15 disclose any communications that occurred
16 within the context of the committee process.

17 MR. GREEN: And I join in that objection.

18 Q. Are you aware of a letter that was filed
19 with the court by Kathy Patrick claiming that MB --
20 MBIA and FGIC were seeking through the committee to
21 pursue an individual litigation agenda that was at
22 odds with the best interests of the majority of
23 unsecured creditors?

24 MR. KOTWICK: You can answer yes or no.

25 A. No.

<p style="text-align: right;">Page 90</p> <p>1 CONFIDENTIAL - M. SCOTT 2 Q. You've never seen this letter? 3 A. No. 4 Q. And you've never heard Ms. Patrick or 5 anyone else express those views outside of a 6 committee meeting? 7 A. No. 8 Q. Was it your view that FGIC and MBIA were 9 pursuing an individual litigation agenda at odds 10 with the best interests of the majority of unsecured 11 creditors? 12 A. No. 13 MS. JAMES: Those are all the questions I 14 have for the moment. If you want to go -- 15 MR. GELFARB: Break for a moment. 16 (Recess taken from 1:51 P.M. to 17 2:01 P.M.) 18 EXAMINATION 19 BY MR. GELFARB: 20 Q. Good afternoon, Ms. Scott. My name is Dave 21 Gelfarb. I represent Freddie Mac in this matter. 22 Do you understand you are still under oath? 23 A. I do. 24 Q. Is there any reason you would be unable to 25 testify truthfully and accurately today?</p>	<p style="text-align: right;">Page 91</p> <p>1 CONFIDENTIAL - M. SCOTT 2 A. No. 3 Q. Are you under any medications or anything 4 that would influence your ability to remember 5 clearly and accurately? 6 A. No. 7 Q. Okay. Do you have any experience in 8 financial modeling? 9 A. No. 10 Q. Any experience in financial analysis? 11 MR. KOTWICK: Objection to form. 12 A. I mean, I don't know what you mean by 13 those. 14 Q. Can you tell me, what type of work have you 15 done since you graduated from the University of 16 Chicago? 17 A. I started working with LaSalle Bank in 18 their corporate trust group shortly after I 19 graduated, I was working on CDO products. I began 20 as a, you know, junior analyst and worked my way up 21 to account manager, relationship manager, and then I 22 transitioned into their risk group shortly after 23 2009. 24 Q. And what year did you graduate from 25 University of Chicago?</p>
<p style="text-align: right;">Page 92</p> <p>1 CONFIDENTIAL - M. SCOTT 2 A. 2002. 3 Q. And what year did you transfer or switch 4 jobs from LaSalle to U.S. Bank? 5 A. So LaSalle -- our group was acquired by 6 Bank of America and then ultimately by U.S. Bank 7 around two and a half years ago. 8 Q. And what type of work did you do while you 9 were employed by Bank of America? 10 A. I still worked in the CDO group for a 11 period of time and then I transferred over to the 12 risk group. 13 Q. And what do you do in the risk group? 14 A. It was reviewing all sorts of distressed 15 issues affecting our transactions for which we were 16 trustee. 17 Q. You are aware, are you not, that the plan 18 of rehabilitation has been proposed for a FGIC by 19 the New York Department of Financial Services? 20 A. I am. 21 Q. And do you have any understanding of the 22 terms and condition of that plan as to how it would 23 affect my client, Freddie Mac? 24 A. I have an understanding as it was related 25 to us by Duff & Phelps.</p>	<p style="text-align: right;">Page 93</p> <p>1 CONFIDENTIAL - M. SCOTT 2 Q. And what is your understanding as to how 3 that plan of rehabilitation would affect Freddie 4 Mac? 5 MR. KOTWICK: Objection to the form. 6 Just -- you are talking about Freddie Mac 7 specifically now? 8 MR. GELFARB: Freddie Mac specifically, 9 yes. 10 A. I don't have an understanding of how it 11 would affect Freddie Mac specifically. 12 Q. And how about -- how about RMBS trusts 13 generally? 14 A. I have an understanding, again, according 15 to what was presented to us by Duff & Phelps. 16 Q. And what is your understanding based upon 17 what Duff & Phelps told you? 18 A. Regarding what point? 19 Q. What is it that the R -- that the holders 20 of certificates, which includes, of course, Freddie 21 Mac, are to receive under the plan of 22 rehabilitation? 23 A. My understanding is that's not certain. 24 Q. Do you have any idea what they are to 25 receive?</p>

Page 94	Page 95
1 CONFIDENTIAL - M. SCOTT	1 CONFIDENTIAL - M. SCOTT
2 A. I think -- we could refer to the	2 A. I don't know.
3 presentation again. We can walk through.	3 Q. Did you personally engage in any
4 Q. Okay. So you have no independent knowledge	4 discussions with FGIC about the FGIC rehabilitation
5 of what the terms of any deal are unless it was what	5 plan?
6 has been conveyed to you by Duff & Phelps; is that	6 A. No.
7 correct?	7 MR. KOTWICK: Objection to the form and
8 A. That's right.	8 outside the scope of the 30(b)(6).
9 Q. Okay. And the information that was	9 Q. Do you know whether any of your colleagues
10 conveyed to you by Duff & Phelps is set forth in	10 at U.S. Bank, other than counsel, engaged in
11 Exhibit 6, for example, today?	11 discussions with FGIC --
12 A. Yes.	12 MR. KOTWICK: Same objections.
13 Q. Okay. Do you know the term "disclosure	13 Q. -- about the FGIC rehabilitation plan?
14 statement"?	14 A. No.
15 A. I do.	15 Q. Do you know whether any court sitting in
16 Q. Okay. Have you ever seen a disclosure	16 New York found that the FGIC rehabilitation plan was
17 statement with respect to the plan of rehabilitation	17 fair and equitable to certificate holders?
18 of FGIC?	18 MR. KOTWICK: Objection. Outside the
19 A. No.	19 scope.
20 Q. I'm going to represent to you that the	20 A. No.
21 disclosure statement says that FGIC engaged in	21 Q. Do you personally, sitting here today, have
22 extensive discussions with the indenture trustees.	22 any idea whether the plan of rehabilitation for FGIC
23 Do you know whether FGIC engaged in discussions with	23 was or is fair and equitable to my client, Freddie
24 U.S. Bank about the FGIC rehabilitation plan?	24 Mac?
25 MR. KOTWICK: Objection to the form.	25 MR. KOTWICK: Objection to the form.
1 CONFIDENTIAL - M. SCOTT	1 CONFIDENTIAL - M. SCOTT
2 A. No.	2 U.S. Bank?
3 Q. Do you have any opinion or understanding as	3 MR. GELFARB: I'm sorry.
4 to whether the plan of rehabilitation for FGIC is	4 Q. Have you at your work at U.S. Bank
5 fair and equitable to certificate holders as a	5 performed any analysis of the terms and conditions
6 whole?	6 of the FGIC rehabilitation plan?
7 MR. KOTWICK: Objection to the form. Hold	7 MR. KOTWICK: Objection. Outside the
8 on just a minute. Outside the scope.	8 scope.
9 A. Can you repeat the question?	9 MR. GREEN: Objection.
10 Q. Do you have any understanding as to whether	10 A. No.
11 the plan of rehabilitation is fair and equitable to	11 Q. Do you know whether anyone else at U.S.
12 certificate holders as a whole, not just including	12 Bank has performed any analysis of the terms and
13 Freddie Mac?	13 conditions of the FGIC rehabilitation plan, other
14 MR. GREEN: I'm going to object to this	14 than counsel?
15 line of questioning as being outside the scope	15 MR. KOTWICK: Objection. Outside the
16 as well. It's seeking information for	16 scope.
17 discovery in a different proceeding.	17 A. I don't know.
18 A. No.	18 Q. Do you know what the term "rehabilitator"
19 Q. Have you personally ever performed any	19 means with respect to the FGIC rehabilitation plan,
20 analysis of the terms and conditions of the FGIC	20 Ms. Scott?
21 rehabilitation plan?	21 MR. KOTWICK: Objection. Outside the
22 MR. KOTWICK: Objection. Outside the	22 scope.
23 scope.	23 A. No.
24 And just to be clear, when you say "you	24 Q. Have you -- when I say "personally," I mean
25 personally," you are now talking about her, not	25 you but, of course, in connection with your work at

Page 98

1 CONFIDENTIAL - M. SCOTT
2 U.S. Bank, not in your personal life. Do you
3 know -- have you ever engaged in any discussions
4 with the Superintendent of Insurance -- excuse me,
5 the Department of Financial Services of the state of
6 New York --

7 MR. GREEN: Objection. This is seeking
8 information and asking about discussions
9 protected by the mediation privilege and the
10 court's order.

11 MR. KOTWICK: Objection. Outside the
12 scope.

13 MR. GELFARB: Can I finish the question?
14 Thanks.

15 Q. Have you engaged in any discussions with
16 the New York Department of Financial Services with
17 respect to the FGIC rehabilitation plan?

18 MR. KOTWICK: Objection. Outside the
19 scope.

20 You can answer yes or no.

21 MR. GREEN: Objection.

22 A. No.

23 Q. And just for the record, when I say
24 "Department of Financial Services," that department
25 used to be called something to the effect of

Page 99

1 CONFIDENTIAL - M. SCOTT
2 "Superintendent of Insurance." So if I ask you a
3 question about it, I mean when it was the Department
4 of Insurance as well as the Department of Financial
5 Services. Is that clear?

6 A. That is.

7 Q. Thanks. Now, do you know whether anyone
8 else at U.S. Bank engaged in any discussions with
9 the Department of Financial Services with respect to
10 the FGIC rehabilitation plan?

11 MR. KOTWICK: Outside the scope.

12 You can answer the question yes or no.

13 MR. GREEN: Objection.

14 A. No.

15 Q. Do you know what the term "run-off
16 projections" means in connection with the FGIC
17 rehabilitation plan?

18 MR. KOTWICK: Objection. Outside the
19 scope.

20 A. No.

21 Q. Have you ever heard the name Michael Miller
22 before?

23 A. No.

24 Q. Have you -- you are aware, are you not,
25 that Lazard -- have you ever heard of the company

Page 100

1 CONFIDENTIAL - M. SCOTT
2 called Lazard?

3 A. Yes.

4 Q. Okay. Do you know that Lazard, or are you
5 aware that Lazard is in the financial business?

6 A. Yes.

7 Q. Okay. Do you know whether Lazard performed
8 any services in connection with the FGIC
9 rehabilitation plan?

10 A. Yes.

11 Q. What services do you know that they have
12 performed?

13 MR. GREEN: I'm going to object to this to
14 the extent it's seeking information or
15 information about communications regarding the
16 mediation and that is protected by the
17 mediation privilege, and I continue to object
18 to this line of questioning about the FGIC
19 rehabilitation as beyond the scope of the
20 30(b)(6) notice.

21 MR. KOTWICK: Just let me read the question
22 back.

23 Object as outside the scope.

24 You can answer yes or no.

25 A. Can you repeat the question?

Page 101

1 CONFIDENTIAL - M. SCOTT

2 MR. GELFARB: Can you read back the
3 question.

4 (Record was read as requested.)

5 MR. KOTWICK: I'm sorry, what was the
6 question before?

7 (Record was read as requested.)

8 A. I think I already stated earlier today that
9 I knew they were involved, but in what capacity I'm
10 not -- I can't remember.

11 Q. Okay. Have you ever heard the name Michael
12 Miller with respect to Lazard?

13 A. No.

14 Q. I apologize if I asked you that earlier.

15 Okay. Have you ever seen any affidavit or
16 any documents prepared by a Michael Miller?

17 A. No.

18 Q. Has U.S. Bank ever discussed the FGIC
19 rehabilitation plan with Freddie Mac?

20 MR. KOTWICK: Objection. Outside the
21 scope.

22 A. I don't know.

23 Q. Do you know whether anyone has ever written
24 to Freddie Mac about the FGIC rehabilitation plan,
25 whether anyone at U.S. Bank has written to anyone at

Page 102

1 CONFIDENTIAL - M. SCOTT
 2 Freddie Mac about the FGIC rehabilitation plan at
 3 any time?
 4 MR. KOTWICK: Objection. Outside the
 5 scope.
 6 A. I don't know.
 7 Q. Were you ever asked to communicate with
 8 Freddie Mac about the FGIC rehabilitation plan?
 9 MR. KOTWICK: Objection. Outside the
 10 scope.
 11 A. No.
 12 MR. GELFARB: I want to ask you, Madam
 13 Reporter, to mark this Exhibit 7.
 14 (Scott Exhibit 7 marked for
 15 identification.)
 16 Q. Ms. Scott, have you had an opportunity to
 17 look at Exhibit 7?
 18 A. Yes.
 19 Q. Okay. Can you identify this document?
 20 A. This appears to be the FGIC settlement
 21 agreement.
 22 Q. And have you seen this document before?
 23 A. I have.
 24 Q. Okay. And did you sign this document?
 25 A. Yes.

Page 104

1 CONFIDENTIAL - M. SCOTT
 2 your manager or anyone else at U.S. Bank?
 3 A. I believe I did mention the amounts, yes.
 4 Q. Okay. And was some kind of consensus
 5 reached or was -- how did you determine -- well, did
 6 you agree that the amount was satisfactory?
 7 A. Again, as stated, we engaged Duff & Phelps
 8 to do the analysis and compare the terms of this
 9 agreement with what was being offered under their
 10 rehabilitation plan, and according to Duff & Phelps
 11 the amount was in the range of reasonableness.
 12 Q. When you say the word "a range," is there a
 13 range with a lower number and a higher number?
 14 A. I believe we referred to that in the
 15 report, yes.
 16 Q. Okay. Do you recall what that range was
 17 from top to bottom? And if you need to look at one
 18 of the previous exhibits, that's fine.
 19 A. It appears that there are two ranges
 20 listed.
 21 Q. And what are those two ranges?
 22 A. There is a range under a base case scenario
 23 and a range under the stress scenario.
 24 Q. What does the base scenario refer to, as
 25 far as you understand?

Page 103

1 CONFIDENTIAL - M. SCOTT
 2 Q. Okay. I direct your attention to the fifth
 3 page past page 17. Is that your signature?
 4 A. This is.
 5 Q. Now, did you personally engage in any
 6 negotiations that led to the execution of this
 7 agreement?
 8 A. No.
 9 Q. Were you asked to sign this agreement by
 10 someone at U.S. Bank?
 11 A. No.
 12 Q. You took it upon yourself to sign the
 13 agreement?
 14 MR. KOTWICK: Objection to the form.
 15 A. I reviewed the agreement, vetted the
 16 agreement, discussed it internally, as I mentioned
 17 earlier today, and signed the agreement.
 18 Q. Okay. What did you do when you say you
 19 vetted the agreement?
 20 MR. KOTWICK: Objection to the form. Asked
 21 and answered.
 22 A. Again, discussed it internally, discussed
 23 it with my manager.
 24 Q. Did you discuss the amounts that the RMBS
 25 holders were to receive under this agreement with

Page 105

1 CONFIDENTIAL - M. SCOTT
 2 A. I think, as I mentioned before, the status
 3 quo, things kind of going along normally with the
 4 economy.
 5 Q. Now, what is the amount that this says that
 6 the noteholders are to receive under the FGIC
 7 settlement proposal?
 8 A. Can you repeat that?
 9 Q. What is the amount that the Exhibit 6 says
 10 that the FGIC noteholders, policyholders, are to
 11 receive under the FGIC settlement proposal?
 12 MR. KOTWICK: Objection to form.
 13 A. The first bullet point in Duff & Phelps'
 14 presentation under that column, the FGIC plan states
 15 that the RMBS policyholders would receive
 16 approximately 150 million upon plan confirmation on
 17 or around December 2013, remainder of the payments
 18 will be made over 40 years.
 19 Q. And do you see a range for the base
 20 scenario toward the bottom of the page?
 21 A. I do.
 22 Q. And what is that range?
 23 A. It says approximately 220 to 340 million.
 24 Q. Okay. And do you understand that range
 25 reflects certain discount rates?

Page 106

Page 107

1 CONFIDENTIAL - M. SCOTT
2 A. Can you repeat the question?
3 Q. Do you understand that that range reflects
4 certain discount rates?
5 A. I mean, as I'm looking at this today, I
6 don't know what that reflects.
7 Q. Okay. Do you know how much Freddie Mac is
8 to receive under the FGIC settlement proposal?
9 A. Specifically, no.
10 Q. Did you send me an e-mail with the amounts
11 that the trusts in which Freddie Mac holds
12 securities is to receive?
13 A. I sent you an e-mail with the amounts due
14 to the trusts, yes.
15 MR. GELFARB: I'd like you to take a
16 look -- this would be Exhibit 8.
17 (Scott Exhibit 8 marked for
18 identification.)
19 Q. Ms. Scott, I ask you to look at Exhibit 8.
20 Please feel free to read the entire exhibit, but I'm
21 really only going to focus on the first half of the
22 first page.
23 A. Okay.
24 Q. Have you had an opportunity to look at the
25 first half of the first page?

Page 108

Page 109

1 CONFIDENTIAL - M. SCOTT
2 A. No. We engaged them as our financial
3 advisor to do this work.
4 Q. And when I say "you," I mean U.S. Bank.
5 Did anyone else at U.S. Bank check the work?
6 A. The answer is the same.
7 Q. So the answer is no. Thanks.
8 MR. KOTWICK: Just make sure you verbalize
9 your answers and not nods.
10 THE WITNESS: Sorry.
11 A. No.
12 Q. Do you know when Duff & Phelps determined
13 the amount that each of these three trusts were to
14 receive, did Duff & Phelps take into account future
15 losses expected on the securities in these three
16 trusts?
17 A. Can you repeat the question?
18 Q. Yes.
19 Do you know when you -- did you ask Duff &
20 Phelps to take into account future projected losses
21 on the securities in the trusts in determining the
22 amounts that Freddie Mac was to receive if the
23 policies were commuted?
24 MR. KOTWICK: Objection to the form.
25 A. We engaged Duff & Phelps and asked them to

Page 108

Page 109

1 CONFIDENTIAL - M. SCOTT
2 provide the allocations --
3 Q. And what did you --
4 A. -- per trust.
5 Q. What did you exactly ask them to do?
6 A. I couldn't speak to you exactly what we
7 asked them to do.
8 Q. Who asked them?
9 MR. KOTWICK: And I will counsel the
10 witness to the extent that any knowledge that
11 she has that is part of discussions that she
12 had with counsel, not to disclose the
13 discussions with counsel.
14 MR. GELFARB: Of course.
15 Q. Who -- were you the one who asked Duff &
16 Phelps to make these computations?
17 A. No.
18 Q. Do you know who asked Duff & Phelps to do
19 this from U.S. Bank?
20 A. It would have been through counsel that the
21 request was made.
22 Q. Oh, all right.
23 MR. GELFARB: I'm going to ask you to mark
24 this as Exhibit 9.
25 (Scott Exhibit 9 marked for

<p style="text-align: right;">Page 110</p> <p>1 CONFIDENTIAL - M. SCOTT 2 identification.) 3 Q. Ms. Scott, are you familiar with the term 4 "Intex"? 5 A. I've heard the term. 6 Q. What is Intex? 7 A. Exactly what it is, I can't say. 8 Q. I'd like you to take a look at Exhibit 9. 9 I'm not asking whether you recognize the specific 10 numbers on this page, but have you ever seen a 11 screenshot that looks similar to this in your work? 12 A. No. 13 Q. Has it ever been your job within U.S. Bank 14 to account for, to study, or report on accumulated 15 write-downs on securities? 16 MR. KOTWICK: Objection. Outside the 17 scope. 18 A. And can you repeat the question? 19 Q. Yeah. 20 Has it ever been one of your duties at U.S. 21 Bank to report on or to study or analyze accumulated 22 write-downs on securities in the RMBS trusts? 23 A. No. 24 Q. I'm going to ask you to take a look again 25 at Scott Exhibit No. 6. I think you testified</p>	<p style="text-align: right;">Page 111</p> <p>1 CONFIDENTIAL - M. SCOTT 2 earlier that you understand that according to the 3 FGIC settlement that the policyholders are to 4 receive the amount of \$253 million; is that correct? 5 MR. KOTWICK: Objection to the form. 6 A. Can you repeat the question? 7 Q. Is it correct that you testified earlier 8 that you understand that the policyholders are to 9 receive the sum of approximately \$253 million under 10 the FGIC settlement plan? 11 A. Yes. 12 Q. Do you know what that \$253 million 13 represents as a percentage of the claims of 14 policyholders? 15 A. I do not. 16 Q. Have you ever heard that \$253 million 17 represents approximately 21 percent of the claims of 18 policyholders? 19 A. I don't recall. 20 MR. GELFARB: Okay. I'm going to mark 21 this -- I think we are up to 9? 22 REPORTER: 10. 23 (Scott Exhibit 10 marked for 24 identification.) 25 Q. Ms. Scott, I ask you to take a look at</p>
<p style="text-align: right;">Page 112</p> <p>1 CONFIDENTIAL - M. SCOTT 2 what's been marked as Scott Exhibit No. 10. 3 Can you identify this document? 4 A. Yes, this is the draft Duff & Phelps 5 report. 6 Q. Have you seen this document before? 7 MR. KOTWICK: Objection. Are you -- is 8 this document something different than what's 9 been previously marked as -- 10 MR. GELFARB: Yes, Mr. Kotwick. Just for 11 the record, this document, on the first page on 12 the bottom right says DUFF-MS0003, and I think 13 Exhibit No. 6 is MS, a bunch of zeros, 1, but 14 you will notice that on the middle of the first 15 page on the right the earlier Exhibit No. 6 was 16 dated May 15th, 2013, and this one is dated 17 May 2013. 18 MR. KOTWICK: I'm looking at Scott No. 4. 19 And I recognize it's got a different Bates 20 stamp number. 21 MR. GELFARB: I think they are the same. I 22 apologize. 23 MR. KOTWICK: I believe they are, but I'm 24 not -- not going to represent that on the 25 record.</p>	<p style="text-align: right;">Page 113</p> <p>1 CONFIDENTIAL - M. SCOTT 2 MR. GELFARB: That's okay. We can go -- we 3 can use mine, if that's okay with you. 4 MR. KOTWICK: That's fine, but I will 5 caution the witness that this may or may not be 6 the same as the Scott No. 4. 7 BY MR. GELFARB: 8 Q. Okay. I believe it is, but please -- 9 please take a look at what's now Scott No. 10, 10 Ms. Scott. So you have seen Scott No. 10 before? 11 A. I saw it earlier today. 12 Q. Oh, was today the first time you saw it? 13 A. No, I believe I've seen it before. 14 Q. Okay. Did you review it before today? 15 MR. KOTWICK: Objection to the form. 16 A. So I can't recall if I've reviewed the 17 draft version versus the final. 18 Q. Do you recall receiving the draft version? 19 MR. KOTWICK: Objection. Form. Asked and 20 answered. 21 A. I mean, I saw that I received the draft. I 22 saw that earlier today. 23 Q. You saw an e-mail indicating that the draft 24 was sent to you; correct? 25 A. That's right.</p>

Page 114

Page 115

1 CONFIDENTIAL - M. SCOTT

2 Q. Okay. Now, I'd like you to take a look on
3 Exhibit No. 10, do you see a page -- well, page 7,
4 can you take a look at that.

5 Do you see that page, Ms. Scott?

6 A. Yes.

7 Q. Okay. Do you see where it says "nominal
8 recovery" toward the bottom of the page?

9 A. Yes.

10 Q. Do you see it says, "Approximately
11 19-20 percent"?

12 A. Yes.

13 Q. Do you know what that means?

14 A. As I sit here today, I don't -- I can't
15 speak to it, but at the time during Duff's
16 presentation, if this is the version that they
17 presented to us, I would have understood it.

18 Q. Did Duff present one version to you --
19 well, to the group or two, if you recall, during the
20 presentation that you testified about earlier?

21 A. We had one call that I was on where they
22 presented their report.

23 Q. Now, when you received the e-mail
24 containing Exhibit No. 10, did you engage in any
25 review of it at that time or at any time prior to

1 CONFIDENTIAL - M. SCOTT

2 the discussion with Duff & Phelps?

3 MR. KOTWICK: Objection to the form.

4 A. And can you repeat the question?

5 Q. Yeah.

6 When you received Exhibit No. 10 via
7 e-mail, which you agree you did; correct?

8 A. Yes.

9 Q. Okay. Did you personally engage in any
10 review of the document prior to the discussion with
11 Duff & Phelps?

12 A. I don't recall.

13 Q. Do you have any recollection sitting here
14 today whether you saw that line on page No. 7 that
15 says, "Nominal recovery, approximately
16 19-20 percent"?

17 A. As I sit here today, no.

18 Q. Do you have any recollection whether you
19 ever discussed that line with anyone at U.S. Bank?

20 MR. KOTWICK: Objection to the form.

21 A. No.

22 Q. During the discussion with Duff & Phelps,
23 did Duff & Phelps indicate or state or in any way
24 allude to a percentage of losses that the
25 \$253 million would make up?

Page 116

Page 117

1 CONFIDENTIAL - M. SCOTT

2 A. I don't recall.

3 Q. Did anybody ask what percentage of the
4 losses that were suffered by the policyholders would
5 be reimbursed under the FGIC settlement plan?

6 A. I don't recall.

7 Q. Did you ever -- did you ever discuss with
8 anyone at U.S. Bank what percentage of the
9 policyholder losses would be reimbursed by the FGIC
10 settlement plan?

11 A. No.

12 Q. Did you think -- do you think sitting here
13 today that it's significant to know what percentage
14 of the policyholder losses are being reimbursed?

15 MR. KOTWICK: Objection to the form.

16 A. Sitting here today, I think what Duff &
17 Phelps presented to us was -- was what we needed to
18 know and what was relevant.

19 Q. Okay. And do you think -- do you believe
20 sitting here today that the FGIC settlement plan is
21 fair and equitable to the certificate holders?

22 MR. KOTWICK: Just -- okay. You can answer
23 the question.

24 A. Can you repeat the question?

25 Q. Yeah.

1 CONFIDENTIAL - M. SCOTT

2 Do you think sitting here today that the
3 FGIC rehabilitation plan is fair and equitable to
4 the policyholders?

5 MR. KOTWICK: That was a different
6 question.

7 MR. GELFARB: Well, read back the first
8 question, Miss Reporter.

9 (Record was read as requested.)

10 MR. KOTWICK: Objection to the form.

11 Do you mean the FGIC settlement proposal or
12 the FGIC rehab plan?

13 MR. GELFARB: FGIC settlement proposal.

14 A. I'm not sure what you mean by "fair and
15 equitable."

16 Q. Do you know what the word "fair" means in
17 the English language?

18 MR. KOTWICK: Objection to the form.
19 Argumentative.

20 Q. What does the words "fair and equitable"
21 mean to you?

22 A. It depends on the context. I understand
23 the FGIC settlement as we determined based off of
24 the presentation from Duff & Phelps was reasonable
25 and it was in the best interest of the holders.

Page 118

Page 119

1 CONFIDENTIAL - M. SCOTT

2 Q. Okay. But did anyone at U.S. Bank make a
 3 determination as to whether it was fair and
 4 equitable to the policyholders?

5 MR. KOTWICK: Objection to the form.

6 A. I spoke to what the determination made was
 7 by U.S. Bank.

8 Q. And what was that again?

9 A. That it was reasonable and in the best
 10 interest of the holders.

11 Q. Do you understand that there was a FGIC
 12 rehabilitation plan; correct?

13 A. Yes.

14 MR. KOTWICK: Objection. Outside the
 15 scope.

16 Q. And you understand that the FGIC settlement
 17 is modifying the FGIC rehabilitation plan; correct?

18 MR. KOTWICK: Objection. Outside the
 19 scope.

20 Q. Do you understand that?

21 A. I do not.

22 Q. Do you know whether there is any difference
 23 between what the certificate holders, such as
 24 Freddie Mac, are to receive under the FGIC
 25 rehabilitation plan versus what they are to receive

1 CONFIDENTIAL - M. SCOTT

2 under the FGIC settlement plan?

3 A. Can you repeat the question?

4 Q. Yeah.

5 Do you understand that there is a
 6 difference between what the FGIC -- excuse me --
 7 what the certificate holders are to receive under
 8 the FGIC rehabilitation plan versus what they are to
 9 receive under the FGIC settlement plan?

10 A. I mean, I understand, again, pursuant to
 11 the report that Duff created, the differences
 12 between each plan.

13 Q. Okay. And can you tell me sitting here
 14 today why the -- well, first, do you believe that
 15 the FGIC settlement plan is better for the
 16 certificate holders than the FGIC rehabilitation
 17 plan?

18 MR. KOTWICK: Objection to the form.

19 A. I believe that, after viewing the analysis
 20 done by Duff and understanding their presentation,
 21 this -- the FGIC settlement was reasonable and in
 22 the best interest of holders.

23 Q. Okay. That's fine. My question is do you
 24 think it's better?

25 MR. KOTWICK: Objection to form.

Page 120

Page 121

1 CONFIDENTIAL - M. SCOTT

2 MR. GREEN: Asked -- asked and answered.

3 MR. GELFARB: Can she answer?

4 MR. KOTWICK: Yeah, no --

5 MR. GELFARB: Mr. Kotwick is your counsel.

6 MR. KOTWICK: I object to the form. You
 7 can answer.

8 A. Again, I stated that the settlement was
 9 reasonable and in the best interest of the holders.

10 Q. Okay. Sitting here today, do you have an
 11 opinion as to whether the FGIC commutation plan is
 12 better for the certificate holders than the FGIC
 13 rehabilitation plan? And if you don't, that's fine.

14 MR. KOTWICK: Objection to form. Can you
 15 read the question --

16 MR. GELFARB: Read the question,
 17 Miss Reporter.

18 MR. KOTWICK: It's an unclear question.
 19 (Record was read as requested.)

20 A. No.

21 Q. Do you think it's your duty as a trustee to
 22 have an understanding as to which plan is better?

23 MR. KOTWICK: Objection to the form.

24 A. I asserted that we made a determination
 25 that the FGIC settlement plan was reasonable and in

1 CONFIDENTIAL - M. SCOTT

2 the best interest of the holders.

3 MR. KOTWICK: When you get a break in
 4 topics, can we take a short recess, please.

5 MR. GELFARB: That will be fine.

6 Q. Take a look, please, at Scott Exhibit No. 6
 7 again. Please direct your attention, Ms. Scott, to
 8 page No. 3. It's Bates stamped MS, lots of zeros,
 9 3. Do you see that page, it says "Executive
 10 Summary" at the top?

11 A. Yes.

12 Q. All right. I want you to take a look at
 13 where the column says "FGIC Settlement Proposal."

14 Do you see that?

15 A. I do.

16 Q. And do you see where it says "Risk" and the
 17 sentence? If you could please read that sentence,
 18 out loud?

19 A. Can you repeat which sentence?

20 Q. Next to the word "Risk," fifth bullet point
 21 on the left side of the page.

22 A. Read it to myself?

23 Q. No, read it out loud.

24 A. "Potential risk of relinquished upside
 25 economics in the event that the base scenario under

Page 122

Page 123

1 CONFIDENTIAL - M. SCOTT
 2 the plan is met and correspondingly exceeded."
 3 Q. Do you understand what that means?
 4 A. I would have understood it at the time. As
 5 I sit here today, I can't recall what...

6 MR. GELFARB: Off the record. If you'd
 7 like to take a break, Mr. Kotwick, that's fine.

8 MR. KOTWICK: I think the witness has
 9 some -- needs to take a break.

10 MR. GELFARB: Okay. It's up to you.
 11 (Recess taken from 2:44 P.M. to
 12 3:10 P.M.)

13 BY MR. GELFARB:

14 Q. Ms. Scott, you understand you are still on
 15 the record and still under oath?

16 A. Yes.

17 Q. Ms. Scott, have you ever spoken to anyone
 18 at FGIC about the -- anyone at Freddie Mac about the
 19 FGIC settlement plan?

20 MR. KOTWICK: Objection to form.

21 Are you talking about the FGIC settlement
 22 proposal?

23 MR. GELFARB: The settlement proposal.
 24 Yeah, to make it simpler, I'm going to call it
 25 now the "ResCap settlement." Is that okay?

1 CONFIDENTIAL - M. SCOTT
 2 That's what we called it yesterday.
 3 Q. Do you understand what I mean by the term
 4 "ResCap settlement"?
 5 A. I think that might be a bit confusing
 6 because there is a ResCap settlement as well.

7 Q. That's fine.

8 Have you spoken to anyone at Freddie Mac
 9 about the FGIC settlement proposal that was
 10 addressed with Duff & Phelps, that plan?

11 A. No.

12 Q. Do you know whether anyone at U.S. Bank
 13 talked with anyone at Freddie Mac about the FGIC
 14 settlement proposal?

15 MR. KOTWICK: At any time?

16 MR. GELFARB: At any time.

17 A. No.

18 Q. Do you know whether there was any written
 19 communication between U.S. Bank and Freddie Mac
 20 about the FGIC settlement proposal?

21 A. No.

22 Q. Did you ever tell Freddie Mac that there
 23 was any possibility of its FGIC policies being
 24 commuted?

25 MR. KOTWICK: Objection to form.

Page 124

Page 125

1 CONFIDENTIAL - M. SCOTT
 2 A. Specifically, no.
 3 Q. Well, did you ever tell anyone at Freddie
 4 Mac in general that there was discussion about their
 5 policies being commuted?

6 MR. KOTWICK: Prior to the acceptance of
 7 the settlement agreement?

8 MR. GELFARB: Correct.

9 A. No.

10 Q. Do you know whether anyone else at U.S.
 11 Bank spoke to anyone at Freddie Mac about the
 12 possibility of the FGIC policies being commuted?
 13 A. No.

14 Q. Let's go back to the Duff & Phelps exhibit.
 15 I think that was No. 6 that has the May 15th writing
 16 on it. Can you -- you have that in front of you --
 17 A. I have that.

18 Q. -- Exhibit No. 6?

19 All right. Do you see the sentence, and
 20 I'll read it, just let me know if it's too fast.

21 MR. KOTWICK: On what page?

22 MR. GELFARB: On page 3, Mr. Kotwick.

23 MR. KOTWICK: Thank you.

24 Q. "Based on D & P's loss estimates of the
 25 wrapped portion of the ResCap-sponsored RMBS trusts,

1 CONFIDENTIAL - M. SCOTT
 2 the cash commutation proposal provided by FGIC is
 3 within the range of expected payments under the plan
 4 of rehabilitation on discounted cash flow basis."

5 Do you see that, Ms. Scott?

6 A. I do.

7 Q. Do you understand what that means?

8 A. I understand it as I read it here, yes.

9 Q. Okay. Did you understand it prior to
 10 today?

11 A. I understood it during the presentation.

12 Q. Did you independently determine whether the
 13 cash commutation proposal was in the range of
 14 expected payments?

15 A. Can you repeat the question?

16 Q. Did you independently determine whether the
 17 cash commutation proposal was within the range of
 18 expected payments?

19 A. We relied on Duff to make that

20 determination and they have outlined that here.

21 Q. Has anyone at U.S. Bank ever addressed
 22 whether the FGIC rehabilitation plan was better than
 23 the FGIC settlement plan, and I mean better for
 24 certificate holders?

25 MR. KOTWICK: Objection to the form.

Page 126

Page 127

1 CONFIDENTIAL - M. SCOTT
 2 A. Has anyone at U.S. Bank -- can you repeat
 3 the question?
 4 Q. Yeah.
 5 Has anyone at U.S. Bank ever made a
 6 determination as to whether the FGIC rehabilitation
 7 plan was better than the FGIC settlement plan?
 8 A. I don't know.
 9 Q. And has anyone ever made a determination
 10 with respect to whether the settlement plan was
 11 better than the rehabilitation plan?
 12 MR. KOTWICK: Objection to form.
 13 A. As I mentioned before, I -- I reviewed, you
 14 know, the presentation as Duff presented it and,
 15 according to that, made a determination that the
 16 FGIC settlement was in the best interest of holders
 17 and it was reasonable.
 18 Q. Did FGIC ever address -- excuse me. I
 19 apologize.
 20 Did Duff & Phelps ever say in sum and
 21 substance one plan is offering 27 to 30 cents on the
 22 dollar and one plan is offering approximately 21
 23 cents on the dollar, and yet this is why we think
 24 the plan offering less cents on the dollar is better
 25 for certificate holders?

Page 128

1 CONFIDENTIAL - M. SCOTT
 2 Q. Do you know whether anyone -- whether
 3 anyone at U.S. Bank has undertaken any analysis as
 4 to whether that scenario is reasonable?
 5 MR. KOTWICK: Objection to form.
 6 A. No.
 7 Q. And did you undertake any analysis yourself
 8 as to whether the stress scenario was reasonable?
 9 A. No.
 10 MR. KOTWICK: Objection.
 11 Q. Do you know whether anyone at U.S. Bank
 12 other than yourself undertook any analysis as to
 13 whether the stress scenario was reasonable?
 14 MR. KOTWICK: Objection to form.
 15 A. No.
 16 Q. During the Duff & Phelps discussion, did
 17 they go into in any way any kind of discussion as to
 18 the reasonableness of the discount rates being
 19 applied under the base scenario?
 20 A. I don't recall.
 21 Q. And did they go into any analysis of the
 22 discount rates being applied under the stress
 23 scenario?
 24 A. I don't recall.
 25 Q. Do you know whether U.S. Bank ever asserted

1 CONFIDENTIAL - M. SCOTT
 2 MR. GREEN: Objection to the form.
 3 MR. KOTWICK: Objection to form.
 4 A. And I actually was distracted. Can you
 5 repeat the question?
 6 Q. Sure.
 7 MR. GELFARB: Can you read the question?
 8 (Record was read as requested.)
 9 A. I don't recall.
 10 Q. Do you recall anyone on the conference
 11 asking Duff & Phelps something to that effect?
 12 MR. KOTWICK: Objection to the form.
 13 A. No.
 14 Q. Excuse me?
 15 A. No.
 16 Q. Now, looking at page 3 again, and that's
 17 the executive summary, do you see that with the cash
 18 payments, and do you see the base scenario has a
 19 range of 220 to 340 million?
 20 A. Yes.
 21 Q. Okay. Have you ever undertaken any
 22 analysis as to whether that base scenario is
 23 reasonable?
 24 MR. KOTWICK: Objection to form.
 25 A. No.

Page 129

1 CONFIDENTIAL - M. SCOTT
 2 any claims against ResCap?
 3 MR. KOTWICK: Objection to the form.
 4 A. U.S. Bank as trustee filed proofs of claim
 5 in the ResCap bankruptcy.
 6 Q. Against ResCap; correct?
 7 A. Against ResCap, the different debtor
 8 entities, yes.
 9 Q. Okay. Now, if the FGIC plan is accepted,
 10 do you know what's going to happen to those claims
 11 that U.S. Bank filed against ResCap?
 12 MR. GREEN: Objection to the form.
 13 Can you clarify "FGIC plan"?
 14 MR. GELFARB: By "FGIC plan" I'm referring
 15 to the plan by which the policies will be
 16 commuted in exchange for payment of 253 million
 17 and other consideration.
 18 A. And can you repeat the question?
 19 Q. Yes.
 20 What -- if that plan is accepted, the plan
 21 whereby the trusts will receive 253 million plus
 22 other consideration, what is going to happen to U.S.
 23 Bank's claims against ResCap?
 24 MR. KOTWICK: Objection to the form.
 25 Can I offer a clarification?

<p style="text-align: right;">Page 130</p> <p>1 CONFIDENTIAL - M. SCOTT 2 MR. GELFARB: Sure. 3 MR. KOTWICK: Are you talking about the 4 proofs of claim for the FGIC trusts? Are you 5 talking about proofs of claim generally? 6 MR. GELFARB: I'm interested in FGIC 7 trusts. 8 A. So as this FGIC plan -- or, sorry -- the 9 FGIC settlement agreement is a part of the global 10 ResCap plan, as a part of that, these trusts, these 11 eight trusts for which U.S. Bank is trustee, will 12 have an allowed claim in the ResCap bankruptcy. 13 Q. And what is the amount of that claim? 14 A. For these eight trusts? 15 Q. Right. 16 A. I don't have that information with me. 17 Q. Is there anyone at U.S. Bank who would 18 know? 19 A. The information is listed on the schedules 20 to the plan and disclosure statements. We could 21 refer to those. 22 Q. Do you believe that, as far as you know, 23 and I understand you are not an attorney, that U.S. 24 Bank has the authority to accept the commutation of 25 the policies in exchange for the \$253 million</p>	<p style="text-align: right;">Page 131</p> <p>1 CONFIDENTIAL - M. SCOTT 2 without Freddie Mac's consent? 3 MR. KOTWICK: Objection to the form. Calls 4 for a legal conclusion. 5 MR. GELFARB: Can she answer the question? 6 MR. KOTWICK: Yes, she can, to the extent 7 she is able to. 8 A. Can you repeat the question? 9 Q. Yes. 10 Is it your understanding that U.S. Bank has 11 the authority to agree to commute the policies in 12 exchange for the payment of 253 million plus other 13 consideration without -- without Freddie Mac's 14 consent? 15 MR. KOTWICK: Same objection. 16 A. Yes. 17 Q. And what is that -- what is that based 18 upon, that ability? 19 A. At a very basic level, the trustee is able 20 to act on behalf of the trust. 21 Q. Do you know -- I mean, do you know where 22 that authority is derived from exactly? 23 A. We can refer to the various agreements. It 24 could be derived from New York law. 25 Q. I'd like to direct your attention to the</p>
<p style="text-align: right;">Page 132</p> <p>1 CONFIDENTIAL - M. SCOTT 2 settlement agreement again. That's Exhibit 7. 3 Now, you reviewed this document before you 4 signed it; correct? 5 A. Yes. 6 Q. Okay. Now, take a look at Exhibit D. In 7 particular, did you look at Exhibit D before you 8 signed the agreement? 9 MR. KOTWICK: D as in dog? 10 MR. GELFARB: D as in dog. 11 MR. KOTWICK: Objection. Asked and 12 answered. 13 A. I don't recall. 14 Q. Do you see on page 2 there is a 15 paragraph D? 16 A. Yes. 17 Q. All right. Do you understand that the 18 settlement agreement referred to in that paragraph 19 is the agreement for the \$253 million -- 20 A. Yes. 21 Q. -- that we've been discussing? All right. 22 Do you know why paragraph D is included in 23 this document? 24 MR. KOTWICK: To the extent that your 25 knowledge is based on discussions with counsel,</p>	<p style="text-align: right;">Page 133</p> <p>1 CONFIDENTIAL - M. SCOTT 2 I direct the witness not to answer the 3 question. To the extent you have an 4 independent basis, you should answer to the 5 best of your knowledge. 6 A. I can't answer the question. 7 Q. All right. Have you worked on other deals 8 that involve commuting of insurance policies while 9 you've been at U.S. Bank? 10 A. No. 11 Q. Have you ever worked on a deal where you 12 saw a judge being asked to sign something that said 13 that U.S. Bank acted reasonably? 14 A. Can you repeat the question? 15 Q. Yeah. 16 Have you ever worked on a deal while you've 17 been at U.S. Bank where a judge was asked to sign an 18 order saying that U.S. Bank acted reasonably? 19 MR. KOTWICK: Objection to the form. 20 A. I can't recall. 21 Q. And what about a deal where a judge was 22 asked to sign an order saying that U.S. Bank acted 23 in good faith? 24 MR. KOTWICK: Objection to the form. 25 A. I can't recall.</p>

Page 134

Page 135

1 CONFIDENTIAL - M. SCOTT

2 Q. And what about a deal where a judge was
3 asked to sign an order saying that U.S. Bank acted
4 in the best interests of investors in trusts for
5 which U.S. Bank was a trustee?

6 MR. KOTWICK: Objection to the form.

7 A. I can't recall.

8 Q. And what about a deal where a judge was
9 asked to state that you were -- acted in the best
10 interests of the investors in each trust?

11 MR. KOTWICK: Objection to form.

12 A. I don't recall.

13 Q. Is your understanding that U.S. Bank has
14 acted in good faith with respect to the commutation
15 agreement?

16 A. Yes.

17 Q. And you have acted in good faith towards
18 Freddie Mac?

19 A. Yes.

20 Q. And why do you believe that to be the case?

21 A. We were approached with the settlement, the
22 FGIC settlement. We engaged Duff & Phelps to do the
23 analysis. We worked with counsel. We worked with
24 the other trustees. We provided notice. I mean,
25 this -- all of this was part of a mediation process

1 CONFIDENTIAL - M. SCOTT

2 which demands acting in good faith.

3 Q. What kind of notice did you ever give to
4 Freddie Mac? You said you gave notice. Do you mean
5 notice to Freddie Mac?

6 A. Related to the FGIC settlement?

7 Q. Yes.

8 A. The trustee groups -- the trustee group
9 gave a notice to all holders regarding the entry
10 into the plan support agreement and the FGIC
11 settlement and another notice went out on the eight
12 trusts for which U.S. Bank is trustee regarding the
13 FGIC settlement.

14 Q. And by FGIC settlement, you mean a
15 commuting of the policies?

16 MR. KOTWICK: Objection to the form.

17 A. Yes.

18 Q. When did that notice to FGIC -- excuse
19 me -- to Freddie Mac go out?

20 MR. KOTWICK: Objection to the form.

21 A. I would have to refer to the notices for
22 the exact dates.

23 Q. Can you approximate?

24 A. It was very short after the entry into the
25 plan support agreement, the first -- the first

Page 136

Page 137

1 CONFIDENTIAL - M. SCOTT

2 notice went out and then shortly thereafter the
3 second notice went out.

4 Q. Is there any reason that Freddie Mac was
5 not apprised of the possibility that policies might
6 be commuted prior to the entry into the plan support
7 agreement?

8 A. We couldn't disclose any information. We
9 were bound by court ordered confidentiality.

10 Q. And did you think that Freddie Mac might
11 have wanted to know that this was going on prior to
12 the entry into the plan support agreement?

13 MR. KOTWICK: Objection to the form.

14 A. Can you repeat the question?

15 Q. Yeah.

16 Did you ever think that Freddie Mac might
17 have wanted to know that this possibility of
18 commutation of policies was going on prior to the
19 entry into the plan support agreement?

20 MR. KOTWICK: Objection to the form.

21 A. Sure, they may have wanted to know.

22 Q. Did you ever raise the issue of letting
23 Freddie Mac know prior to the entry into the plan
24 support agreement?

25 MR. KOTWICK: Objection to the form.

1 CONFIDENTIAL - M. SCOTT

2 A. Again, we were bound by court ordered
3 confidentiality.

4 Q. Now, you see paragraph C says that "The
5 settlement agreement and the transactions are in the
6 best interests of the investors in each trust"?

7 Do you see that?

8 A. I do.

9 Q. And you understand that Freddie Mac is an
10 investor in the trust, in some trusts?

11 A. Yes.

12 Q. Why do you think it's in Freddie Mac's best
13 interests to have this settlement agreement entered
14 into?

15 MR. KOTWICK: Objection. Asked and
16 answered.

17 A. Do you want me to go through all of the
18 reasons --

19 Q. Sure.

20 A. -- again? So the settlement agreement
21 itself, the trusts would no longer have to pay
22 premiums. They are receiving a guaranteed amount, a
23 set amount in this 253 million versus the
24 alternative, which, you know, there's a lot of
25 uncertainty surrounding the alternative plan.

Page 138

Page 139

1 CONFIDENTIAL - M. SCOTT

2 This particular FGIC settlement, again, was
 3 wrapped up within a larger global ResCap settlement
 4 for which there were various reasons we considered
 5 that to be in the best interest of holders. I can
 6 run through those reasons again for you, if you'd
 7 like.

8 Q. Sure.

9 A. You know, again, the global settlement
 10 allowed for a substantial increase to the value of
 11 the estate with the AFI contribution, resolved a lot
 12 of potential litigation, allowed for claims related
 13 to the additional settling trust to be allowed,
 14 servicing claims to be allowed. It made -- you
 15 know, it -- administrative expenses related to those
 16 disputes, that was, you know, abated, the decrease
 17 to the estate related to those administrative
 18 expenses, and then at the, you know, end of the day,
 19 these FGIC trusts had an allowed claim within the
 20 ResCap bankruptcy.

21 Q. Do you understand that under the FGIC
 22 rehabilitation claim there is also going to be a
 23 lump sum payment?

24 A. Pursuant to the Duff & Phelps report, yes,
 25 I believe they outlined a lump sum payment.

1 CONFIDENTIAL - M. SCOTT

2 certain of -- certain trusts are -- come under the
 3 commutation agreement; correct?

4 MR. KOTWICK: Objection to the form.

5 Outside the scope.

6 A. Correct. I don't work on that issue, so
 7 I'm not familiar enough to speak.

8 Q. Now, can you please take a look at
 9 Exhibit E to Exhibit No. 7?

10 A. I'm sorry. Where did you want me to look?

11 Q. Exhibit E of Exhibit 7.

12 A. Oh, okay.

13 Q. Have you read this document before today?

14 A. This does not look familiar.

15 Q. Okay. Now, referring back, Ms. Scott, to
 16 Exhibit D, do you know what will happen to the
 17 commutation agreement if the findings set forth in
 18 paragraphs C and D are not signed off, signed by the
 19 judge?

20 MR. KOTWICK: Objection to the form, and to
 21 the extent any of your knowledge is based on
 22 communications with counsel, I advise you not
 23 to disclose that. To the extent you have
 24 independent basis outside of counsel, you
 25 should answer the question the best you can.

1 CONFIDENTIAL - M. SCOTT

2 Q. Do you know what the lump sum payment is
 3 supposed to be?

4 A. I would have to confirm. I recall it being
 5 around 150 million, maybe.

6 Q. Now, there are certain trusts and certain
 7 noteholders that are still going to be covered by
 8 the FGIC rehabilitation plan; correct?

9 MR. KOTWICK: Objection.

10 Q. Even if the -- even if the commutation
 11 agreement is entered into; correct?

12 MR. KOTWICK: Objection. Form. Outside
 13 the scope.

14 Q. Do you understand the question?

15 A. Can you repeat the question?

16 Q. Even -- even assuming that the commutation
 17 agreement is entered into, there are still going to
 18 be trusts that are going to get the deal that's
 19 proposed in the FGIC rehabilitation plan; correct?

20 MR. KOTWICK: Objection to form.

21 A. I'm not working on the FGIC rehabilitation,
 22 so I'm not familiar with what's involved.

23 Q. So you don't know if, for example, U.S.
 24 Bank is still acting as trustee for trusts that will
 25 receive the FGIC rehabilitation plan, even if

Page 140

Page 141

1 CONFIDENTIAL - M. SCOTT

2 certain of -- certain trusts are -- come under the
 3 commutation agreement; correct?

4 MR. KOTWICK: Objection to the form.

5 Outside the scope.

6 A. Correct. I don't work on that issue, so
 7 I'm not familiar enough to speak.

8 Q. Now, can you please take a look at
 9 Exhibit E to Exhibit No. 7?

10 A. I'm sorry. Where did you want me to look?

11 Q. Exhibit E of Exhibit 7.

12 A. Oh, okay.

13 Q. Have you read this document before today?

14 A. This does not look familiar.

15 Q. Okay. Now, referring back, Ms. Scott, to
 16 Exhibit D, do you know what will happen to the
 17 commutation agreement if the findings set forth in
 18 paragraphs C and D are not signed off, signed by the
 19 judge?

20 MR. KOTWICK: Objection to the form, and to
 21 the extent any of your knowledge is based on
 22 communications with counsel, I advise you not
 23 to disclose that. To the extent you have
 24 independent basis outside of counsel, you
 25 should answer the question the best you can.

1 CONFIDENTIAL - M. SCOTT

2 A. Can you repeat the question?

3 Q. In the event that paragraphs C and D are
 4 not signed off on by the judge, do you know what
 5 will happen to the commutation agreement?

6 MR. KOTWICK: Same objections. Same
 7 advice.

8 A. I can't answer the question.

9 MR. GELFARB: Okay. All right. No further
 10 questions. Thank you, Ms. Scott.

11 MS. JAMES: I just have a couple of
 12 follow-up questions.

13 EXAMINATION

14 BY MS. JAMES:

15 Q. Did U.S. Bank require the consent of the
 16 holders before entering into the FGIC settlement
 17 agreement?

18 MR. KOTWICK: Objection. Calls for a legal
 19 conclusion.

20 A. No.

21 Q. Can holders of notes or certificates in the
 22 FGIC trusts opt out of the FGIC settlement
 23 agreement?

24 A. No.

25 Q. What if they don't like it, is there any

Page 142

Page 143

1 CONFIDENTIAL - M. SCOTT
 2 solution?
 3 A. They --
 4 MR. KOTWICK: Objection. Objection to the
 5 form.
 6 A. They can object, as your clients are doing.
 7 Q. Okay. Can noteholders or certificate
 8 holders direct the trustees not to enter into the --
 9 not to -- not to agree to the commutations?
 10 A. Can you repeat that?
 11 Q. Can noteholders and certificate holders
 12 under the various trusts direct the trustees not to
 13 continue with the commutation agreement?
 14 A. No.
 15 Q. No? Why not?
 16 A. My understanding is that FGIC is the
 17 controlling party in the documents.
 18 Q. So even if all noteholders under a
 19 particular trust contacted U.S. Bank and said,
 20 "Don't do this, we don't like it," it's your view
 21 that it's too late, FGIC has a right to decide, not
 22 the noteholders?
 23 MR. KOTWICK: Objection. Calls for a legal
 24 conclusion.
 25 A. And I can't really speak to hypotheticals.

1 CONFIDENTIAL - M. SCOTT
 2 I mean, I do know that holders object. There is an
 3 opportunity to object to the settlement if holders
 4 don't agree to it.
 5 Q. Have any holders of notes or certificates
 6 under any of the FGIC wrapped U.S. Bank trusts
 7 directed the trustees to stop the commutations or to
 8 take a different path?
 9 MR. KOTWICK: Objection to form.
 10 A. Can you repeat the question?
 11 Q. Has U.S. Bank received any directions from
 12 any certificate holders or noteholders regarding the
 13 commutations?
 14 A. Other than your clients?
 15 Q. We are objecting to the bankruptcy court.
 16 I'm asking if U.S. Bank has received any directions
 17 from noteholders or certificate holders in
 18 connection with the commutations?
 19 A. No.
 20 MS. JAMES: Okay. Thank you. Those were
 21 my questions.
 22 THE WITNESS: Okay.
 23 MS. JAMES: Are you good?
 24 MR. GELFARB: That's it.
 25 MR. KOTWICK: Mr. Green, do you have any

Page 144

Page 145

1 CONFIDENTIAL - M. SCOTT
 2 questions?
 3 MR. GREEN: Nothing. Thank you. I've got
 4 nothing, nothing in terms of redirect. I think
 5 this concludes.
 6 (Time noted: 3:41 P.M.)

1
 2 C E R T I F I C A T E
 3 I, Paula Campbell, CSR, RDR, CRR, CCP, do
 4 hereby certify that on Thursday, July 18, 2013
 5 appeared before me, MAMTA SCOTT.
 6 I further certify that the said witness was
 7 first duly sworn to testify to the truth in the
 8 cause aforesaid.
 9 I further certify that the signature of the
 10 witness to the foregoing deposition was not waived
 11 by agreement of counsel.
 12 I further certify that I am not counsel for
 13 nor in any way related to any of the parties to
 14 this suit, nor financially interested in the
 15 action.
 16 IN TESTIMONY WHEREOF, I have hereunto set my
 17 hand on this 18th day of July, 2013.

8
 9 MAMTA SCOTT
 10
 11 Subscribed and sworn to before me
 12 this _____ day of _____ 20___.
 13
 14
 15
 16
 17
 18
 19
 20
 21
 22
 23
 24
 25

Paula Campbell, CSR, RDR, CRR, CCP
 Certified Shorthand Reporter
 Registered Diplomate Reporter
 Certified Realtime Reporter
 Certified CART Provider
 Illinois C.S.R. No. 084-003481

Page 146

Page 147

1 ----- I N D E X -----
2
3 WITNESS EXAMINATION BY PAGE
4 MAMTA SCOTT MS. JAMES 7, 141
5 MR. GELFARB 90
6
7 -----EXHIBITS-----
8 SCOTT PAGE LINE
9 Exhibit 1 Notice of Deposition of 10 6
10 U.S. Bank National
Association
11 Exhibit 2 Notice of Hearing on 12 11
12 Debtors' Motion Pursuant
to Fed. R. Bankr. P. 9019
13 for Approval of the
Settlement Agreement Among
14 the Debtors, FGIC, The
FGIC Trustees and Certain
15 Institutional Investors
16 Exhibit 3 Exhibit 1 to the 9019 36 5
17 motion
18 Exhibit 4 e-mail exchange with 48 5
attachment, Bates stamped
USB-MS 00068 through 078
19 Exhibit 5 Declaration of Mamta K. 78 8
Scott as Officer of U.S.
Bank, as RMBS Trustee
20 Exhibit 6 Duff & Phelps FGIC 83 16
21 Commutation Proposal
Discussion Materials,
Bates stamped TR-MS000001
through 009
22 Exhibit 7 Settlement Agreement dated 102 14
5/23/13
23 Exhibit 8 e-mail chain between Mamta 106 17
Scott and David Gelfarb
24 Exhibit 9 Intex desktop screenshot 109 25
25

1 -----EXHIBITS-----
2 SCOTT PAGE LINE
3 Exhibit 10 Duff & Phelps draft FGIC 111 23
Commutation Proposal
4 Discussion Materials,
Bates stamped DUFF-MD
00003 through 010
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Page 148

1
2 ERRATA SHEET FOR THE TRANSCRIPT OF:
3 CASE NAME: In Re: Residential Capital
4 DEPOSITION DATE: July 18, 2013
5 WITNESS NAME: Mamta Scott
6 Reason codes:
7 1. To clarify the record.
8 2. To conform to the facts.
9 3. To correct transcription errors.
10 Page ____ Line ____ Reason ____
From _____ to _____
11 Page ____ Line ____ Reason ____
From _____ to _____
12 Page ____ Line ____ Reason ____
From _____ to _____
13 Page ____ Line ____ Reason ____
From _____ to _____
14 Page ____ Line ____ Reason ____
From _____ to _____
15 Page ____ Line ____ Reason ____
From _____ to _____
16 Page ____ Line ____ Reason ____
From _____ to _____
17 Page ____ Line ____ Reason ____
From _____ to _____
18 Page ____ Line ____ Reason ____
From _____ to _____
19 Page ____ Line ____ Reason ____
From _____ to _____
20
21
22 MAMTA SCOTT
23 SUBSCRIBED TO AND SWORN BEFORE ME
THIS ____ DAY OF _____, 20____.
24
25 (Notary Public) MY COMMISSION EXPIRES:

Page 144

1 CONFIDENTIAL - M. SCOTT

2 questions?

3 MR. GREEN: Nothing. Thank you. I've got
4 nothing, nothing in terms of redirect. I think
5 this concludes.

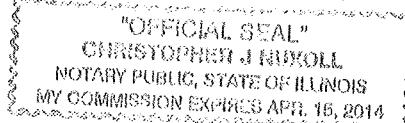
6 (Time noted: 3:41 P.M.)

7 MAMTA SCOTT

8
9 MAMTA SCOTT

10

11 Subscribed and sworn to before me
12 this 25TH day of JULY 2013.



Page 148

1
2 ERRATA SHEET FOR THE TRANSCRIPT OF:
3 CASE NAME: In Re: Residential Capital
4 DEPOSITION DATE: July 18, 2013
5 WITNESS NAME: Mamta Scott
6 Reason codes:

- 7 1. To clarify the record.
8 2. To conform to the facts.
9 3. To correct transcription errors.

10 Page 40 Line 16 Reason 3
From MBAIA to MSIA

11 Page _____ Line _____ Reason _____

From _____ to _____

12 Page _____ Line _____ Reason _____

From _____ to _____

13 Page _____ Line _____ Reason _____

From _____ to _____

14 Page _____ Line _____ Reason _____

From _____ to _____

15 Page _____ Line _____ Reason _____

From _____ to _____

16 Page _____ Line _____ Reason _____

From _____ to _____

17 Page _____ Line _____ Reason _____

From _____ to _____

18 Page _____ Line _____ Reason _____

From _____ to _____

19 Page _____ Line _____ Reason _____

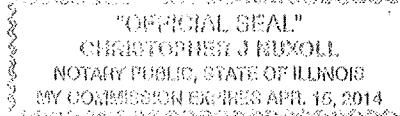
From _____ to _____

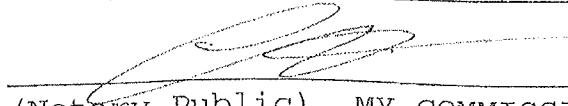


MAMTA SCOTT

20 SUBSCRIBED TO AND SWORN BEFORE ME

21 THIS 25th DAY OF JULY, 2013.



22 
23 (Notary Public) MY COMMISSION EXPIRES: 4/15/14